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Poles Being Pushed Toward Revenge, Archbishop Says

United Press International
ROME — Polish Archbishop Jozef Glemp said Sunday in a sermon that martial law has sickened, humiliated and angered Poles, pushed them toward revenge and pitted them against each other.

In a homily at a Mass for Polish residents of Rome, Archbishop Glemp also predicted that the Solidarity trade union will find an important place in Polish society, just as the Roman Catholic Church rose to become a powerful force in the nation.

"Our country is sick. Poles are overcome with anger," Archbishop Glemp, Poland's primate, said in his 35-minute sermon at St. Stanislaw Church, Rome's parish for residents and visiting Poles.

"The anger, the unjust humiliation, makes one want revenge against oppression and has made the suffering even more profound," he said, hammering lightly on the altar with a clenched fist.

"Poland cannot become an arena of bloody confrontation," said the archbishop, who is in Rome for consultations with Pope John Paul II on the situation in their homeland.

"In the beginning, the demarcation line was clear between 'them' who persecute us and 'we' who were persecuted," Archbishop Glemp said in a reference to state suppression of the church.

"This borderline is becoming less distinct because what happens between men now creates suspicion and men are looking themselves in mistrust and judging each other without hesitation."

Several of the 400 Poles who crowded into the tiny church wept openly during the Mass.

A Polish priest assisting the Mass wiped his eyes as Archbishop Glemp spoke and Cardinal Franciszek Macharski of Krakow sat with his eyes closed and his head in his hands. Later, Cardinal Macharski also cried.

Leaving open the door to negotiations with the government, Archbishop Glemp said: "We have faith that with the help of God we can explain the causes of our anger to each other in a dialogue and not by force."

Archbishop Glemp, Cardinal



Archbishop Jozef Glemp ... in Rome Sunday

Macharski and Bishop Henryk Gulbinowicz of Wroclaw arrived in Rome Thursday to brief the pope. They are scheduled to return to Poland on Thursday, one day before the pope leaves for an eight-day, four-nation tour of West Africa.

Solidarity Talks Hinted
WARSAW (WP) — Polish authorities have given private indications that they are ready to begin serious talks soon with representatives of Solidarity on a set of basic

Reagan Issues \$757-Billion Budget, Urges Congress to 'Stay the Course'

Legislators See Trouble For His Plan

By Martin Tolchin
New York Times Service
WASHINGTON — Congressional Democrats have assailed President Reagan's proposed budget as unfair and unworkable, while Republicans expressed "shock" at the size of the deficit and predicted the president would have trouble selling the budget package to Republicans as well as Democrats.

There was bipartisan agreement Saturday that the proposed increase in military spending should be scaled back in an effort to reduce the deficit and subject the Pentagon to the same scrutiny received by the social programs. But some in Congress said it would be difficult, if not impossible, to make cuts in military spending that would substantially reduce the projected fiscal 1983 deficit of \$91.5 billion.

There was a bipartisan expectation that Mr. Reagan's selling job would be exacerbated by the fact he no longer has the goal of a balanced budget to use as an incentive for the budget cuts. Congressmen predicted greater difficulties making additional cuts in programs hit hard last year and noted that the extraordinary Republican congressional unity, a key to the president's success last year, was showing signs of strain.

Some congressmen speculated that Congress would ignore the Budget Act and fail to adopt a budget this spring, rather than approve one with a high deficit. They predicted that, as in the 1980 election year, Congress would return after Election Day for a special session that would include adoption of the budget.

'State of Shock'
Sen. Ted Stevens of Alaska, the assistant majority leader, described himself as "sort of in a state of shock" upon learning "the deficit could be as high as it's projected." He said deficit "was based on the assumption that the president will receive the approval of



Administration officials brief the press on President Reagan's fiscal 1983 budget. From left, Murray L. Weidenbaum, the chairman of the Council of Economic Advisers, Treasury Secretary Donald T. Regan and David A. Stockman, the director of the Office of Management and Budget.

Republicans Are Dismayed Over Deficit

By Edward Cowan
New York Times Service
WASHINGTON — President Reagan, facing skepticism in both parties, has released a budget message urging Congress to "stay the course" by shrinking the social responsibilities of the government while expanding the nation's military strength.

As outlined in the budget for fiscal 1983, released Saturday, the president's fiscal and economic strategy contemplates continued monetary restraint, a rapid reduction of inflation and a slow decline in unemployment.

The budget projects a 4.5-percent rise in total spending to \$757.6 billion and a deficit of \$91.5 billion.

Shock Over Deficit
Congressional Democrats criticized the budget as unfair and unworkable, and many Republicans expressed shock at the size of the projected deficit.

Insisting that no changes be made in the three-year tax cut enacted last year, Mr. Reagan projected several years of large budget deficits, which he ascribed to past policies.

The budget calls for rapid growth of military spending and cuts in benefits for individuals and in other nonmilitary programs.

[The proposed U.S. budget proves that President Reagan is motivated by concern not for the ordinary American but for the military-industrial complex. Novosti, a Soviet press agency, said Saturday, United Press International reported from Moscow. In a commentary, Novosti said the United States has embarked on a "new round of the arms race," using the "Soviet threat to intimidate the American people into accepting as justifiable the unprecedented increase in military spending."

Since the adoption of \$35 billion of Reagan budget cuts last summer, the mood in Congress has grown more cautious. In a second round of retrenchment last autumn (Continued on Page 3, Col. 3)

U.S. in 'Sensitive' Talks With China Over Taiwan Question, Haig Says

By Bernard Gwertzman
New York Times Service
WASHINGTON — Secretary of State Alexander M. Haig Jr. said that "extremely sensitive discussions" are under way with Peking over the Taiwan issue and that he is "not in a position to predict the outcome."

American officials previously said that talks were going on over the U.S. decision to continue arms sales to Taiwan, something Peking regards as infringing on its sovereignty. But Mr. Haig's remarks, in an interview in his office Friday, seemed to indicate concern for future relations not voiced previously.

"It would be counterproductive to go into details, because things are at a delicate stage, but speaking candidly, some difficult issues are involved," he said. "We are making a major effort to bridge

these differences. I will be just as frank when I tell you I am not in a position to predict the outcome."

He also said plans to discuss the sale of U.S. arms to Peking had been shelved and were "hostage" to resolution of the Taiwan talks.

Asked whether the problem seemed serious, Mr. Haig nodded affirmatively and said, "It has been serious."

Mr. Haig arrived Sunday in Madrid, where he will represent the United States at a meeting of the Conference on Security and Cooperation in Europe.

At the conference, he and other Western foreign ministers intend to accuse Poland and the Soviet Union of violating the human rights provisions of the Helsinki Final Act by imposing the military crackdown in Poland.

President Reagan has said that if there was no improvement in the

situation, he might take further steps against Poland and the Soviet Union beyond the economic and political curbs announced earlier.

Mr. Haig, when asked about further economic sanctions, refused to rule anything out, but he hinted that he personally opposed an embargo on grain sales because the Soviet Union would be able to buy enough elsewhere.

On another contentious issue — the administration decision to pay domestic banks \$71.5 million that Poland had not repaid on schedule rather than announce that Poland had defaulted — Mr. Haig affirmed his support for the move, despite criticism of it by Defense Secretary Caspar W. Weinberger.

Mr. Weinberger is reported to feel that he was not adequately consulted. He has also made the

Arms Buildup Emphasizes Rapid Force

By Leslie H. Gelb
New York Times Service
WASHINGTON — The Reagan administration will be asking Congress for authority to spend \$1,640 billion in the next five years on the armed services, with special emphasis on building U.S. capability to project power around the globe.

Funds for the European front and for strategic nuclear forces will rise, but the sharpest increases will go to equipment, supplies, military construction and airlift and sealift capability for the Rapid Deployment Force. The philosophy behind this, according to senior Pentagon officials, is that the United States must not simply be able

Reagan Budget Highlights

SPENDING: \$757.6 billion, up 4.5 percent; cuts in benefit programs, including welfare, food stamps, health care and housing.

RECEIPTS: \$666.1 billion, up 6.3 percent from fiscal 1982 estimate; includes \$2.3 billion from changes in minimum corporate income tax, \$3.3 billion from disallowance of accounting method used by contractors, \$2.5 billion from user fees.

DEFICIT: \$91.5 billion, 7.2 percent smaller than record estimated for 1982.

MILITARY: \$216 billion, up 18 percent, including early deployment of Cruise missiles.

ASSUMPTIONS: Growth of 5.2 percent in economy in calendar 1983 after adjusting for 6-percent inflation; unemployment averaging 7.9 percent; three-month Treasury bills averaging 10.5 percent.

to respond to an attack by the Soviet Union wherever it occurs, but also be able to strike back at areas of Soviet weakness.

Specifically, Defense Department officials said that if Soviet forces were to invade the Gulf region, the United States should have the capability to hit back there or in Cuba, Libya, Vietnam or the Asian land mass of the Soviet Union itself.

To support this strategy, the administration wants to spend \$216 billion in the fiscal year 1983, which starts Oct. 1, up from \$183 billion this year. The administration (Continued on Page 3, Col. 1)



SEEKING ISLANDS' RETURN — Premier Zenko Suzuki, in a campaign hat, led a bipartisan rally Sunday in Tokyo demanding that the Soviet Union return four northern islands occupied in World War II. On Mr. Suzuki's left is Lower House Speaker Hajime Fukuda.

A Budget of Defiance: Reagan Allies Admit Risks Are High

By Steven R. Weisman
New York Times Service
WASHINGTON — A year ago, President Reagan said in a television address that the nation's trillion-dollar debt was of a magnitude "literally beyond our comprehension." Yet the budget he released would lead to more than \$270 billion in new debt in the next three years alone, and more than \$500 billion if he fails to get his spending cuts or tax revisions through Congress.

The fact that Mr. Reagan could contemplate a possible 50-percent increase in the national debt in a mere three years shows how much his economic thinking has been transformed by events of the last 12 months. More than anything else, the new, defiant budget message from the president was a call to ignore the customary fears about big deficits, at least some of which helped bring him into office, and to proceed undeterred with deep cuts in taxes and spending.

As he said Saturday when he released the budget, "Our task is to persevere, to stay the course; to shun retreat; to weather the temporary dislocations and pressures that must inevitably accompany the restoration of national economic, fiscal and military health."

In so persevering, the economic and political risks are enormous.

Economically, Mr. Reagan is defying the fears of many experts, particularly those associated with Wall Street Republicanism,

that high deficits raise inflationary expectations and interest rates, which in turn choke off hopes for economic recovery.

Politically, according to his aides, the president is simply betting that the voters will not mind big deficits if the economy improves.

Indeed, aides to Mr. Reagan have repeatedly said that the prospect of deficits is what will stiffen the will of a reluctant Congress.

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to cut popular spending programs, even in an election year.

Whether the deficit will have that effect on Congress is debatable.

Since autumn, for example, Mr. Reagan's own Republican allies have been warning him publicly and privately that they could not produce the vote for significant new cuts in domestic programs this year.

A Friendly Senator's Warning

Even Sen. Paul Laxalt, the Nevada Republican who is Mr. Reagan's closest personal friend on Capitol Hill, has repeatedly said that the states and local governments would not tolerate further cuts in aid. Yet Mr. Reagan's budget would cut \$6 billion more from the current budget level in this category alone.

Mr. Reagan also renewed his determina-

tion Saturday to reduce the growth of retirement, nutrition, welfare and health benefits. Twice last year he failed to win approval of those cuts. Foes of the cuts are hardly less willing or able to fight him today.

"Sure we face a much stiffer fight in Congress than we did last year," said a top aide to Mr. Reagan. "But we've made the best choices available." And he added, "There's still a lot of support for this man on Capitol Hill."

Mr. Reagan's problems in Congress are also bound to be compounded in the absence of the legislative mechanism he used so effectively last year. At that time, Republicans managed to obtain a vote on scores of the president's proposals put together in a single package, known as a "reconciliation resolution," turning the entire measure into a referendum on Mr. Reagan's goals.

This year, Republican leaders say they are reluctant to use the reconciliation procedure again because it had circumvented the prerogatives of the individual congressional committees — and they are unsure it would work again.

Mr. Reagan's top economic advisers offered numerous explanations Saturday for why the budget deficits had risen in the last year.

The primary culprit, in their view, was the recession, which they said had been caused by years of economic mismanagement. High

interest rates, as well, were seen as the product of inflationary expectations going back over many years.

Nowhere was it mentioned that Mr. Reagan's tax cut, worth \$836 billion in the next five years, had been even a factor in the deficit picture, as many economists insist.

Disquiet in Reagan Camp

In his refusal to retreat on tax reductions or the other main issue — military spending — Mr. Reagan is creating some big problems for himself with his own Republican allies.

There are signs of disquiet within the Reagan camp, the most recent one being an unusual all-day session at Camp David attended by the president's top aides and political consultants. The most pressing topic, according to participants, was everybody's fears that Mr. Reagan would all too soon be blamed for the poor state of the economy.

Mr. Reagan's task now is not simply to persevere, in the view of his aides. It is to persuade the financial markets that he has a credible program to reduce deficits and that the tax cuts passed last year will increase the amount of savings and investment in the nation by so much that the deficits will not matter. If he fails, he risks another collapse of the bond market, with the consequence of high interest rates and diminished economic growth.

U.S. May Seek Pacts in Gulf Area On the Co-Production of Weapons

By David Wood
Los Angeles Times Service
RIYADH, The United States may seek to enter into an agreement to co-produce weapons with moderate Arab states in the Gulf region, according to U.S. Secretary of Defense Caspar W. Weinberger.

The U.S. aim would be to help defend the Gulf oil fields against what defense officials say is a growing Soviet threat, either of direct intervention or, more likely, of Soviet-aided insurgency in the Gulf states.

But the Gulf nations — which include Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman — see their most direct threat as coming from Israel, not from the Soviet Union or even from the radical fundamentalist Moslem movement spreading from Iran. So, any suggestion of American-Arab co-production of arms is likely to produce a furor in Israel and further strain relations between the United States and its principal Middle East ally.

[Mr. Weinberger had a four-hour meeting Sunday with the Saudi defense minister, Prince Sultan bin Abdul Aziz, on mutual defense problems in the Gulf, The Associated Press reported from Riyadh.]

Mr. Weinberger, arriving in Saudi Arabia Saturday on a 10-day visit to the region, said he would seek in his talks here and elsewhere to find how the United States "can most effectively help some of the countries within the Gulf region" so as to add to our mutual security.

'A Real Possibility'

Co-production of arms, Mr. Weinberger added, "might be a possibility — a real possibility."

American officials declined to say what such cooperation might produce, although initially it might involve U.S. machinery, spare parts and perhaps ammunition.

The United States has co-production agreements with several nations — including Israel, Taiwan, Canada, and Japan — for the manufacture of almost everything from tank treads to jet aircraft.

Two weeks ago, the six Gulf states of the Gulf Cooperation Council declared their intention of forming a joint military force that would include an air defense system, military command and, ultimately, a regional arms manufacturing facility.

U.S. military officials left no doubt that the United States is eager to cooperate with the council and its efforts to form a regional military force. "We certainly would encourage it," a senior official traveling with Mr. Weinberger said. "They need to protect their oil fields, and if our advice and assistance is asked for, it will be forthcoming."

The Saudi defense minister said Saturday that Saudi Arabia is interested in "whatever we can obtain in line with Arabism and Islam — in line with these principles."

Last year, Saudi Arabia bought \$2.5 billion worth of U.S. arms, and Oman received about \$50 million worth of U.S. military equipment.

INSIDE

Canadian Friction

Relations between Prime Minister Pierre Elliott Trudeau and the premiers of Canada's 10 provinces have reached a new low point after the collapse, amid bitter recriminations, of their economic conference. Page 3.

Israeli Charges

Israel's Cabinet declared the UN General Assembly resolution recommending sanctions against Israel for its annexation of the Golan Heights "null and void" and charged that the world body had become a "tool wielded by hostile states to spread their enmity and hypocrisy." Page 4.

Iran Oil-Price Cut

Iran has cut its oil price by \$1 a barrel to below the level set by OPEC in December, an authoritative industry newsletter reported. Britain is reported ready to cut its North Sea prices Monday. Page 7.

Social Programs Are Facing Substantial Cuts

By Robert Pear
New York Times Service
WASHINGTON — In his budget for the coming year, President Reagan proposes substantial cuts in such government benefit programs as welfare, food stamps, Medicaid, Medicare and subsidized housing.

The budget, made public Saturday, calls for changes in the laws under which millions of Americans are entitled to U.S. Government benefits if they meet eligibility criteria. The changes would reduce the cost of social programs by \$12.8 billion from amounts otherwise anticipated.

But the overall cost of the entitlement programs, according to the Office of Management and Budget, would still rise to a record of \$184.4 billion in the 1983 fiscal year. That would be a 9.9-percent increase from the 1981 total.

The cost of Medicare, or health insurance for the elderly, would continue to increase despite cuts, backs sought by the administration. But spending on three other programs — food stamps, welfare and Medicaid, the latter of which provides medical assistance for the poor — would be reduced in 1983.

Mr. Reagan refers to the programs as a form of "spending" because the eligibility and cost-of-living adjustment provisions have been written into law by Congress. An effort to control their growth has been depicted as central to the administration's plans to control the budget.

The president proposed cuts of \$14.2 billion in so-called discretionary spending, which is subject to annual review by Congress. The deepest cuts were in training and employment, transportation, income security, health and social service programs.

The administration's priorities were reflected in the budgets of the departments: planned spending on Health and Human Services was to increase 8.4 percent; Housing and Urban Development, down 10.3 percent; Labor, down 17.4 percent; Defense, up 18.1 percent.

School Lunches Survive

The 1983 budget proposes "no major changes" in the biggest benefit program, Social Security, for which outlays of \$173.5 billion are expected in 1983.

The budget seeks no major reductions in the politically sensitive school lunch program, although

Agriculture Department officials had told Congress they planned to propose reductions.

But Mr. Reagan proposed to end the summer feeding program, which provides meals to children during the vacation period, and to eliminate the special milk program, which provides milk at reduced prices to 1.6 million children. The administration said the summer program had been "ridden with fraud."

One proposal for savings in food stamps, Medicaid and the main assistance program, Aid to Families with Dependent Children, would establish a "zero tolerance level" for erroneous payments, starting in 1984, the states would be subject to financial penalties for overpayments or payments made in error.

Another across-the-board change would establish a single federal payment for administration of food stamps, Medicaid and family assistance. The government now pays half of a state's administrative expenses. This system, the administration says, offers little cost-control incentive.

The proposed changes in the major benefit programs include:

- Welfare. The budget projects federal outlays of \$54 billion for welfare payments in 1983, compared with \$78 billion in 1982. States would be required to have work programs for welfare recipients. Applicants would have to show that they had diligently searched for work.
- Medicaid. The budget calls for Medicaid outlays of \$17 billion in 1983, which is about \$1 billion below the anticipated level for 1982.
- Medicare. The budget projects outlays of \$55.4 billion in 1983, compared with \$49.9 billion in 1982.
- Housing. In place of a program for construction of public housing, vouchers would become the principal means of assistance. Low-income families could use these to obtain housing on the open market.

The administration proposed a sharp reduction in funds for employment and training programs, to \$2.2 billion in 1983 from \$4.3 billion in 1982.

Congress would be asked to abolish the Legal Services Corp., which pays for legal aid in civil cases. The budget would gradually end operating subsidies for mass transit.

Deng Still Dominates China Scene Despite A Monthlong Absence

By Michael Parks

Los Angeles Times Service

PEKING — Deng Xiaoping, who at 77 still dominates China's politics, has not appeared in public for almost a month, and rumors are rife about the state of his health.

By all reliable accounts, Mr. Deng's health is good but the situation has again underscored the fragility of China's political situation.

Mr. Deng, the powerful deputy chairman of China's Communist Party, "is in very good health," a

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Foreign Ministry spokesman said. He added that Mr. Deng had spent last month's Chinese Lunar New Year holiday away from Peking.

Although Mr. Deng had a mild case of influenza and rested for a few days, he has recovered and is now on an "inspection trip" in the provinces, according to usually well-informed Chinese sources.

[Deputy Premier Wan Li said Saturday that Mr. Deng has withdrawn from daily decision-making but remains in excellent health. Reuters reported, "Because he is aged 77, we are greatly concerned about him and only seek suggestions from him on major issues." Mr. Wan said, "He has withdrawn from the first line and is now in the second line [of decision-making]," he added.

[Mr. Wan said Mr. Deng had spent three weeks resting in southern China after his last public appearance on Jan. 12.]

Other sources said they believed that Mr. Deng is involved in the delicate task of getting veteran officials to resign as the government bureaucracy is reduced, and that he is reviewing the lists of those to be reassigned or retired.

Further speculation compares Mr. Deng's unusual absence with the prolonged political sojourns that Mao used to take — and from which he would return to vanquish his opponents. Something must be going on, these analysts believe.

Other rumors have had Mr. Deng dying, under house arrest, the victim of a stroke or taking a winter vacation in the southern part of China.

Even if Mr. Deng is as healthy as the Foreign Ministry says, and even though his position has grown stronger since he made a second comeback from political oblivion and took over the leadership nearly four years ago, the questions about his whereabouts and health are valid. Everything here still depends on him.

There is no certain answer to the

questions of "after Deng, who, what?"

Mr. Deng does not dominate China's political scene nearly as much or in the same way as did Mao, but he remains the decisive actor.

Most Chinese political observers see the collective leadership as more of a vehicle for Mr. Deng to keep his coalition of once-competing factions together, rather than as a power-sharing arrangement.

Mr. Deng's success in consolidating his power and in changing China's political and economic course is due largely to the coalition's stability, according to political insiders here. He has brought diverse groups — veterans of the revolution like himself, younger technocrats, army generals, intellectuals, industrial managers, provincial leaders, even some former political rivals — into an alliance based on a consensus on what direction China should take.

When the consensus appears threatened or weakened — as has happened during some debates over economic policy, Mao's mistakes and top-level appointments — Mr. Deng forges new compromises, accommodating his critics on some points to keep the coalition together. Divisive factionalism remains as great a danger for China, Mr. Deng reportedly believes, as a revival of radicalism.

Although this involves endless compromises that could warp many of the reforms instituted since 1978, Mr. Deng's ability to manage successfully such a "dynamic political environment," as a Western analyst termed it, encourages those who hope China is finally beyond the years of internal turmoil and is on a smooth and forward-looking course.

But this does not answer the questions of how long the coalition would stay together if Mr. Deng were not there to lead it, how long before factional feuding would destroy the country's prized stability and unity.

The Communist Party Congress planned for late this year will be aimed largely at settling the succession question.

"As Deng sees it, the question of succession is not simply a matter of men, but of institutions and policies as well," a social scientist from Shanghai explained. "That is why we are also drawing up new constitutions for the party and the state. The party congress will, in effect, be shaping the future of China."

For this reason, China is fascinated with the arrangements that Tito made in the decade before his death in 1980 for succession in Yugoslavia.



A U.S. adviser helps during the delivery of one of the new helicopters sent to El Salvador.

U.S. Replaces Destroyed Helicopters for El Salvador

The Associated Press

SAN SALVADOR — U.S. transport planes have arrived with more replacements for the aircraft crippled in a guerrilla attack against the main air base of the armed forces.

A military source said three more Huey-1 helicopters were delivered Saturday to the Ilopango Air Base, seven miles from the capital. Three Hueys had arrived about 24 hours earlier aboard C-130 cargo planes.

Army sources said that more than a dozen aircraft, including

six Hueys, were destroyed in the guerrillas' raid on the base Jan. 27. Official reports on the extent of the damage have not been made public.

There are unconfirmed reports that at least two members of the Salvadoran Air Force have been detained on the suspicion that they aided the guerrillas in the attack.

Defense Minister José Guillermo García has said there was "participation both inside and outside the air force in this extremist sabotage."

The unconfirmed reports said at least nine members of the air force were suspected of having collaborated with guerrillas. According to the reports, seven of the suspects disappeared and two are being interrogated by army intelligence officials.

Meanwhile, a military source in the provincial capital of Usulután, 50 miles (80 kilometers) east of San Salvador, said there was scattered fighting around the city Saturday. The source said there were no reports on casualties.

Key Middle-Level Union Activists Getting Long Sentences in Poland

By John Darnton

New York Times Service

WARSAW — Despite a pledge by the Polish government that Solidarity members would not be punished for union activities carried out before martial law was imposed, union activists are receiving severe court sentences for relatively minor infractions of martial law.

In some cases, they have been found guilty in special military courts even though charges against them could not be substantiated by any acceptable international standard of justice, according to defense attorneys.

The most recent case was a court verdict Thursday in the Baltic coastal city of Gdynia, 12 miles (19 kilometers) northwest of Gdansk, in which nine Solidarity members received sentences ranging from 3 to 10 years in prison.

In pronouncing the sentences, the presiding judge, a naval lieutenant commander, said that they were generally known to be Solidarity activists and that he believed they were operating under the protection of the Roman Catholic Church.

One of the accused was Wladyslaw Jerzy Trzciniski, 37, a warehouse foreman. Mr. Trzciniski was an early Solidarity member. He served at one time as a sort of bodyguard for Lech Walesa, the union leader, and was a delegate to Solidarity's national convention in September. But he was not an internationally known figure in the union.

Witnesses Recant

Mr. Trzciniski was charged with having attended a meeting in a student hostel before his arrest Dec. 21. He admitted to having gone more than once to the room in question, since he was a friend of the students and played cards there, but he denied participating in any meeting, which is illegal under the martial law that was imposed Dec. 13.

Several defense witnesses could not be called, prosecution witnesses recanted, the presiding judge said, and the defense lawyer was told to be brief in his summation. The sentence against Mr. Trzciniski was nine years in prison.

Although he is a strong man, Mr. Trzciniski lost the composure he had maintained for three days. His head shaven and his face bloated from the poor food and medicine in prison, he buried his head in his manacled hands and wept.

"That sentence was decided long before anyone walked into that courtroom," said a lawyer who had followed the case.

The trials are not reported in the national press. The defendants are workers, not Solidarity leaders. They were arrested, not detained, and so they languish in prison cells. They cannot receive packages or visits from family members or clergy and they are denied the contact with Red Cross delegations that is afforded some of the union leaders and intellectuals seized Dec. 13.

The judicial action seems intended to break the back of the suspended union by striking at the vital middle-level ranks of union activists — the chapter chairmen on the factory floor.

Defendants Heckled

Mr. Trzciniski's trial was speedy. The courtroom was packed with spectators who heckled the defendants. Each defendant was allowed to have only a single relative present.

Two earlier charges against Mr. Trzciniski, of having tried to organize a strike and of disseminating illegal leaflets, were dropped for lack of evidence. The main evidence supporting the remaining charge, that of attending a meeting in the student hostel, was the discovery of his fingerprints there. His defense was that there is nothing incriminating about having

one's fingerprints found in the room of a friend.

People attending the trial said that Mr. Trzciniski intended to call three students as witnesses on his behalf but that the motion was denied by the judge with the explanation that there was not enough time and that their testimony would shed no new light on the case.

Several prosecution witnesses recanted their pretrial statements, saying they had been extracted by

force. They said police officers held guns to their heads to get them to talk.

Announcement of the verdict was delayed until 8:05 p.m., a move apparently intended to forestall any public demonstration outside the courthouse.

Then Mr. Trzciniski was taken back to prison on Kurkowa Street, a dingy jail for common criminals where 180 other Solidarity members are awaiting trial on various charges.

U.S., W. Germany Split Over Madrid Strategy

By James M. Markham

New York Times Service

MADRID — The United States and West Germany are divided over what course to follow this week when about 20 foreign ministers attend the Madrid Conference on Security and Cooperation in Europe.

Western representatives, including Secretary of State Alexander M. Haig Jr., plan to criticize the military crackdown in Poland.

Toughening its position since the Madrid meeting recessed on Dec. 18, five days after martial law was declared in Poland, the United States now believes that the conference should adjourn after the full-dress sessions this week. The Americans argue that the Polish situation makes it inappropriate to

continue the talks in Madrid aimed at strengthening the Helsinki accords of 1975, which were the high-water mark of détente.

But, according to U.S. and European diplomats involved in shaping a Western position, West Germany's foreign minister, Hans-Dietrich Genscher, has maintained that instead of being adjourned, the Madrid forum should be used to criticize the Soviet Union and Poland for the crackdown. Mr. Genscher is also known to have insisted that the allies should avoid giving the impression that they are walking out on the conference.

No 'Business as Usual'

In Washington, a senior U.S. diplomat acknowledged the sensitivities of West German opinion about Madrid, but insisted that the differences with Bonn were only tactical. "From everything that we can tell, there is a unanimous opinion among the allies that we're not going to be doing business as usual," said the American.

Under an established rotation system, the chairman of the session when the full conference reconvenes on Tuesday will be Poland, which might be represented by a deputy foreign minister, Jozef Wlajewicz. A bit of filibustering could upset the plans of a lengthening list of Western officials, including Mr. Haig, to speak on Poland on Tuesday. The next full session is scheduled for Friday, when several foreign ministers will speak.

Western diplomats acknowledged that the decision to turn the week into a full NATO diplomatic offensive has given the Soviet Union a new range of diplomatic options, including a fractious procedural fight on the basis of the Polish chairmanship. Another option is a more passive approach that might allow the divergent attitudes of the Americans, West Germans and French, who support Bonn's position, to come out into the open.

"I think that the time to see what the West should do is when we see what the Russians do," said a highly placed French diplomat in Paris.

Poland Warns of 'Interference'

WARSAW (NYT) — Poland has warned that it will not take part in the resumption of the talks in Madrid if the issue of martial law in Poland is raised by the West.

In an interview distributed Saturday by the Polish news agency PAP, Mr. Wlajewicz said that Poland would construe such a move as "interference in Poland's internal affairs" and would withdraw. Poland, he said, was not going to stand before any self-appointed tribunal.

Poland also condemned Saturday the sanctions announced Friday by Britain against Poland and the Soviet Union as "a brutal interference in the internal affairs" of the two countries. The sanctions include travel restrictions on diplomats, businessmen and journalists and a halt to any new credits to Poland.

Washington May Have to Pay Banks Nearly \$2 Billion for Polish Debts

By Phil Gailley

New York Times Service

WASHINGTON — A high-level Treasury Department official has indicated that the federal government might have to pay U.S. banks nearly \$2 billion owed to them by Poland over the next three years because of federal loan guarantee agreements.

The government's potential liability for bad debts in 1982 is thought to be between \$500 million and \$700 million, the official said. His acknowledgment of the federal loan guarantees for subsequent years was the first public mention by a federal official that U.S. liability for Polish loans might eventually go that high.

The liability projection was made during a briefing called to defend the Reagan administration's recent decision to pay domestic banks \$71.3 million that Poland had not repaid on schedule in order to prevent a declaration that Poland had defaulted.

Direct Loans

Such a declaration would have accelerated Poland's obligations to pay much of the \$26 billion it owes to Western governments and to 460 Western banks. The government holds \$10.5 billion in direct loans issued to Poland or guarantees for private bank loans.

The official, who made his disclosure Friday, had to be identified as a "senior administration official" under the ground rules of the briefing.

The Agricultural Department had notified 10 banks a week ago that the government would pay the \$71.3 billion in interest and principal payments due this month on U.S. government food-buying loans. The announcement underscored a division within the administration.

Defense Secretary Caspar W. Weinberger has pressed for a declaration of default against Poland, while Secretary of State Alexander M. Haig Jr. has defended the administration's decision to honor the loan guarantees.

1981 Payments

Marc Leland, assistant secretary of the Treasury for international affairs, said Friday that "default always remains an option" but that President Reagan had decided not to declare Poland in default because of the pressure to repay Poland by insisting on repayment rather than declaring default now.

"The U.S. government, through the Commodity Credit Corp., guaranteed loans made by U.S. banks for the sale of agricultural commodities to Poland," Mr. Leland said. "In 1981, when the Poles did not pay the banks the amount due on these loans, the U.S. government fulfilled its obligation by making payments to the banks. We are, of course, doing the same in 1982. These payments in no way relieve Poland of any of its obligations."

Last year the U.S. government paid banks \$340 million to cover Polish debt payments that fell due.

Polish Intention

Mr. Leland said that it would be wrong to view the administration's course of action as a bailout of U.S. banks. He said that about 90 banks in the United States held a total of \$3.2 billion in outstanding loans to Poland. Of that amount, he added, \$1.3 billion is in loans not guaranteed by the government and \$1.9 billion is guaranteed.

He refused to speculate on how much of the \$1.9 billion the government might have to assume, saying only that the Polish government has told the administration that it will make every effort to repay the loans.

The Treasury official who con-

Poles Angry, Glemph Says

(Continued from Page 1)

principles for future Polish unions, but the independent labor organization's leadership reportedly remains wary of the government's intentions.

A nonofficial source familiar with the informal contacts that have taken place in recent days among Poland's martial law authorities and Catholic clergymen and Solidarity representatives said more organized talks could begin within the next week or 10 days, following the return from Rome of Archbishop Glemph.

One of the frustrations on the union in developing a new strategy, however, has been continued difficulty in arranging a meeting between Solidarity leader Lech Walesa and several of his key advisers who have been spared internment.

Such a meeting is said to have been promised, then canceled, three times since the imposition of martial law Dec. 13 and the internment of Mr. Walesa somewhere in the Warsaw area.

Mr. Walesa has had very limited contact with others. Church officials are reported to have visited him at least twice, and his wife has been permitted two visits.

He is described as having gone through spells of optimism and pessimism but is said to have emerged now with growing confidence about the future. Despite his isolation, he has found ways of getting messages in and out, and is even reported to have exchanged letters with Zbigniew Bujak, the leader of the Warsaw branch of Solidarity who has managed to elude internment.

In their early contacts with Solidarity representatives, the authorities are said to have made clear that whatever form trade unions take in the future, there will have to be greater official control over them than there was over Solidarity.

ducted Friday's briefing provided the administration's answers to questions about the Polish debt issue. They went like this:

Q. Did payments to the banks prevent them from declaring Poland in default?

A. "No. The banks are owed amounts on nonguaranteed loans for which they have not declared default but can declare default at any time."

Q. Would a declaration of default force the Soviet Union to pay off the Polish loans?

A. "No. This is an obligation incurred by Poland and not guaranteed by the Soviet Union."

Q. Would a Polish default affect loans going to the Soviet Union?

A. "No. Unguaranteed private bank credit transactions has not been going to the Soviet Union. This is because of the debt situation of Poland and other countries in Eastern Europe, as well as the other economic and financial difficulties faced by the Soviet Union itself."

China Moves to Boost Polish Trade by 30%

By Michael Weisskopf

Washington Post Service

PEKING — China has agreed to boost trade with Poland by about 30 percent this year, apparently ignoring President Reagan's appeal for economic sanctions against the Polish government for imposing martial law.

Some diplomats view the trade protocol and Peking's refusal to condemn the Polish government as tacit Chinese approval for the crackdown on the kind of labor strife that one day could surface in China.

"The picture of a Communist government being overthrown by workers obviously disturbs a lot of Chinese leaders," said a Western diplomat.

Other foreign analysts believe the trade pact signed in the last two weeks had nothing to do with martial law but was part of Peking's continuing effort to expand economic relations with all East European countries.

Chinese officials who met with Western diplomats recently continued to stress China's neutrality on the Polish crackdown and downplayed the trade agreement as a "routine thing," said a foreign analyst.

"There was no intent to snub Reagan," insisted a European diplomat. "Peking is serious about maintaining an independent and noncommittal posture on Poland."

China agreed under the \$140-million trade pact to provide food, consumer goods and textiles to the Poles, according to an East European envoy, who said exchanges will rise between 25 percent and 30 percent during 1982.

The new agreement, however, falls far short of replenishing the

55-percent drop in trade between the two nations last year as compared to 1980, the diplomat said. Publicly, Peking has held to a neutral stance on the Polish crisis, calling on the Poles to settle their own problems and opposing outside intervention by the Soviet Union or the West.

Chinese officials who normally are very critical of Soviet diplomatic adventures have studiously refused to join Western nations in blaming Moscow for the crackdown in Poland. Privately, Chinese officials say they are under how much responsibility Moscow bears for the imposition of martial law.

Three weeks after ordering economic reprisals against Warsaw, Mr. Reagan sent Assistant Secretary of State John H. Holdridge to Peking, in part to enlist Chinese cooperation in the sanctions drive, according to diplomats.

Mr. Holdridge, who was to explain Mr. Reagan's controversial plan to sell military aircraft to Taiwan, discussed the issue with Chinese officials but failed to inspire much interest, the diplomats said.

Some East European diplomats view China's handling of the Polish matter as evidence of a general move to soften its confrontation with the Soviet Union, supported by Peking's secret proposal to double trade with Moscow this year and increase cultural exchanges.

Other diplomats called this wishful thinking by Soviet allies trying to undermine Chinese-American relations. A well-informed diplomat from a non-aligned nation confirmed that Peking has proposed broadening trade with the Soviet Union, but he cautioned that this is designed more for public relations than strategic considerations.

WORLD NEWS BRIEFS

Bonn Pledges Support to Mubarak

The Associated Press

BONN — West Germany on Sunday pledged full economic and political support for Egyptian President Hosni Mubarak, who arrived in Bonn on the last leg of a weeklong swing through European capitals after visiting Washington.

President Karl Carstens told Mr. Mubarak after his arrival that his policies "are an essential contribution to the stabilizing of an agitated region so close to us. We are prepared to support you in this policy to the best of our ability."

Mr. Mubarak came to Bonn from London, where he told an airport news conference that Europeans could promote Middle East peace through understanding rather than pressuring those involved in the conflict. Asked if he hoped that the Europeans would pressure Washington and Israel into including the Palestine Liberation Organization in talks on Palestinian autonomy, Mr. Mubarak replied, "I am not talking at all about pressure, [just] understanding."

SDP Units Oppose Schmidt Policy

The Associated Press

BONN — Just two days after Chancellor Helmut Schmidt won a parliamentary vote of confidence on his policies, three local branches of his Social Democrat Party Sunday turned against his military policy.

Delegates to a Social Democrat meeting in Essen, representing a 70,000-member party branch, called for a moratorium on U.S. missile deployment in West Germany for the duration of current U.S.-Soviet talks in Geneva to reduce European nuclear arsenals. The resolution, approved by a majority in a hand vote, also called on the Bonn government to halt all preparations for the planned deployment of 108 Pershing-2 and 96 Cruise missiles from late 1983.

A smaller party branch meeting in Firmsens backed a similar moratorium. Another party group in Bavaria went further, voting for a motion to overturn the NATO decision and opposing deployment of new U.S. missiles in West Germany. In the past, Mr. Schmidt has opposed moratoriums on the planned missile deployments.

French Communists Re-elect Marchais

Reuters

PARIS — Georges Marchais, the French Communist Party leader for the past 10 years, was re-elected Sunday to a new three-year term as the party's general secretary, despite the party's electoral setbacks last spring.

Delegates to the party's 24th congress also re-elected all outgoing Politburo members except for Georges Seguy, the former head of the Confédération Générale du Travail labor union. Mr. Seguy retired because of poor health.

Lost Missile Found in W. Germany

The Associated Press

SCHRAMBERG, West Germany — U.S. explosives experts Sunday dismantled the concrete floor of a barn here to recover a live air-to-air missile lost during a U.S. Air Force training exercise last week.

The Sidewinder missile, which carried about 9 pounds (4 kilograms) of TNT, was located Saturday in the barn near the town of Schramberg, 25 miles (40 kilometers) southeast of Lahr. A U.S. Air Force F-15 fighter based at Bitburg, West Germany, lost the 190-pound (70-kilogram) missile during a combat drill last Monday.

A spokesman for the U.S. Air Force said work was hampered by the danger of detonating the missile's fuse, which is believed buried in the barn floor. A Schramberg police spokesman said it was likely the recovery work would continue Monday.

Pentecostalist Expects KGB Meeting

United Press International

MOSCOW — Lydia Vashchenko, thin but with good color in her face, said she is glad to be alive and expects the KGB to come soon to discuss her request that her family be allowed to emigrate because of their religious beliefs.

"I am glad everything has turned out as it has so far, and that my family also is well," she said Saturday at the Botkin Hospital where she has been for a week.

The 30-year-old Pentecostalist is recovering from a hunger strike she began on Dec. 28 at her refuge at the U.S. Embassy to protest the lack of action in the family's case.

Brigades Vow to Fight On in Message

The Associated Press

ROME — A message signed by the Red Brigades pledged Sunday that their revolutionary struggle will continue despite the rescue of U.S. Army Brig. Gen. James L. Dozier from their captivity, the police said.

A Rome newspaper received the three-page message which said the "construction of the fighting Communist party" goes forward. It also blamed the "bourgeoisie" for unleashing "civil war" in Italy.

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Bitter Collapse of Talks Widens Split Between Trudeau and Premiers

By Stanley Meisler

TORONTO — Relations between Prime Minister Pierre Elliott Trudeau and the premiers of Canada's 10 provinces have reached a new low with the collapse of their economic conference last week amid bitter recriminations.

Even in the most heated moments of the political struggle with the provinces last year over his constitutional reform proposals, Mr. Trudeau had the support of the premiers of two provinces — Ontario, which contains one-third of Canada's population, and New Brunswick. But when the economic conference ended Thursday night in Ottawa, all 10 premiers denounced the federal government for its handling of the economy. And Mr. Trudeau, in the nationally televised closing session, was just as scathing in his denunciation of them.

As a result, questions are being raised about the wisdom of trying to tackle so many national issues by convening a federal-provincial conference, which have developed into an institution because of the wide powers possessed by the provinces under the Canadian federation.

James Gillies, a professor who was an economic adviser to Conservative Joe Clark when he was prime minister of Canada in 1979 and 1980, argued in a national television last week that the conference is by nature too divisive to deal successfully with national economic issues.

Little Expected
In the case of last week's conference, few officials had expected much, if any, success. Federal officials, in fact, had wanted to postpone the session. Nevertheless, observers were surprised at the depth of the bitterness that came with the failure.

"While the house is burning and the people are trying to save their own skins," Premier René Lévesque of Quebec said in describing the Canadian recession,

"and while the provincial governments are there with their fire trucks trying to put the fire down... the federal government has its hand on the fire hydrant and won't let the water out."

Mr. Lévesque often stands apart from the leaders of the other provinces, but on this issue his tone was no more accusing than that of the English-speaking premiers. The usually mild-mannered Premier William G. Davis of Ontario, for example, said he left the conference "with a certain feeling of anger."

In reply, Mr. Trudeau lectured the premiers: "True political leadership... consists in more than pointing a finger at the other guy — in this case, the federal government — and saying it's all his fault."

2 Main Issues

Two main issues divided Mr. Trudeau and the premiers. The premiers demanded that the federal government abandon its policy of allowing interest rates to remain high and bring them below those of the United States even if it drives down the value of the Canadian dollar.

Mr. Trudeau replied that the devaluation of the Canadian dollar would increase inflation. Furthermore, he said that the premiers, while free with advice to the federal government on interest rates, were unwilling to set guidelines to hold down wage settlements for public employees of the provinces.

The second issue centered on transfer payments to the provinces. The premiers were angry because the federal government intends to reduce the payments. Under a system similar to the one proposed by President Reagan in the United States, Ottawa turns over funds for health and higher education to all provinces and makes special grants to the poorer provinces.

Mr. Trudeau decided the complaint. "At every federal-provincial conference," he said, "the provincial cry is always the same: 'We've been robbed.'"

Arms Buildup Emphasizes Rapid Deployment Force

(Continued from Page 1)
Spending authority on non-nuclear conventional forces, called general purpose forces in the budget, is planned to increase by 20 percent, to \$106.2 billion from \$88.2 billion. The Army will receive more money for the new M-1 tank, other fighting vehicles and helicopters. The Air Force will be able to buy additional AWACS (Airborne Warning and Control System) radar surveillance planes and more tactical aircraft, such as the F-15 for air superiority, the F-16 for ground attack and air defense and the A-10 for support of ground forces.

Also scheduled for large increases are cargo ships and planes needed to deploy and sustain the Rapid Deployment Force.

But the service that benefits most from the budget is the Navy. The president promised in his budget message to increase the number of ships from 513 to 600 by the end of the decade. For the next five years, he has proposed a \$96 billion shipbuilding program for 133 ships, including six new Trident missile-firing submarines and two new nuclear-powered aircraft carriers.

Budget authority for the aircraft carriers is \$6.8 billion. It would add to the present fleet of 13 carriers, only three of which are nuclear powered.

The \$258 billion request for budget authority next year, when coupled with a projected average annual real or after-inflation growth in expenditures of 7.4 percent, leads to the five-year \$1,640 billion total.

The \$258 billion figure is solely for military expenditures made by the Defense nuclear research and the manufacture of material for nuclear warheads, nor does it include more than \$1 billion in military aid to foreign countries.

Stress on Readiness
This is of great significance to Pentagon planners who are worried that economic pressures might cause the administration to cut back military spending in future years, and that the only convenient place to reduce spending will be in what is called readiness — the capability of U.S. forces to fight now. Readiness includes such accounts as operations and maintenance, training, spare parts and ammunition.

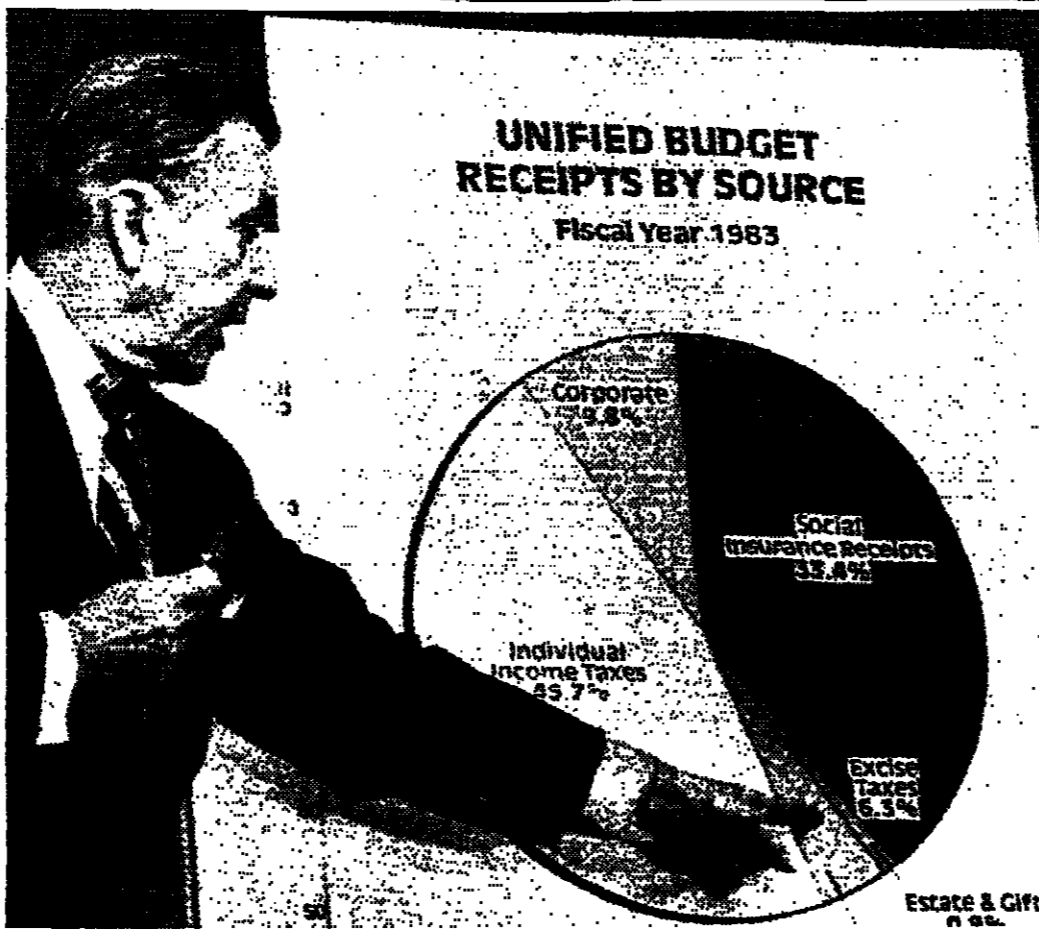
The sizeable increase in military spending proposed by Jimmy Carter last year at the end of his presidency went almost entirely to increasing the readiness of existing forces. There was only a marginal increase in funds for new ships, aircraft, tanks and other weapons. By contrast, the Reagan administration's first military budget both adds to the capabilities of existing forces and heavily emphasizes expanding forces.

The new Reagan budget proposes increasing procurement of new weapons from \$41.2 billion this year to \$55.1 billion next year. It is by far the largest proposed increase in outlays, compared to other accounts.

More AWACS Planes

The budget calls for increasing spending on strategic nuclear forces from \$16.2 billion to \$23.1 billion. The big ticket items here are the new B-1B long-range bomber, a new submarine-launched ballistic missile called the Trident-2, the new Cruise missiles, defense against a bomber attack on the United States, a vast expansion of communications and control systems such as radars and radio links, and the new MX land-based ballistic missile.

In the budget document, President Reagan maintained that a review of U.S. strategic forces "found that the relative imbalance with the Soviet Union will be at its worst in the mid-1980s and hence needs to be addressed quickly."



Treasury Secretary Donald T. Regan explains the sources of income for the 1983 budget.

Reagan Urges Congress to 'Stay the Course'

(Continued from Page 1)
turn, the lawmakers gave the president just half of \$8 billion of further cuts he sought. Evidently mindful of that, Mr. Reagan laced his message with exhortation.

Under the heading "No Time to Retreat," he declared: "Our task is to persevere, to stay the course, to shun retreat; to weather the temporary dislocations and pressures that must inevitably accompany the restoration of national economic, fiscal and military health."

Distinguishing his administration from its predecessors, Democratic and Republican, Mr. Reagan cited budget and tax cuts last year and concluded, "For the first time in two decades, the destructive pattern of runaway spending, rising tax rates and expanding budgetary commitments has been slowed, and with the cooperation of Congress this year, will finally be broken."

In an uncommonly long budget message, Mr. Reagan repeatedly cautioned against trying to cure the recession by spending more or having the Federal Reserve make credit easy.

Early Release

Under the customary White House embargo, the 1983 budget was to have been released for publication and broadcast at noon Monday. Copies were distributed to Congress and the press Friday, under the embargo. After members of Congress gave large portions of the budget to reporters on Friday without restriction, the White House Saturday morning authorized complete publication immediately.

The budget is essentially the president's plan for running the government in the approaching year and later, subject to the consent of Congress. The 1983 budget was Mr. Reagan's first opportunity since taking office in January last year for a complete review of all government agencies and programs and so represents his most comprehensive statement of priorities thus far.

The highlights of the 1983 budget are:

- Spending to rise 4.5 percent to \$757.6 billion from \$725.3 billion in fiscal 1982, which began last Oct. 1.
- Receipts to total \$666.1 billion, including \$12.7 billion from selective tax increases on business and tougher tax enforcement, including a proposal to impose a 5-percent withholding tax on dividends and interest.
- A deficit of \$91.5 billion, \$7.1 billion below the projected 1982 deficit. Despite his repeated 1980-81 promises to balance the budget by 1984, the president projected deficits of \$82.9 billion in 1984, \$71.9 billion in 1985, \$66 billion in 1986 and \$53.2 billion in 1987.

As has been true with every president's budget, the realization of the precise fiscal goal projected is in doubt.

Mr. Reagan is asking Congress to ratify a long list of proposals for spending cuts, selective tax increases, user fees and a realignment of responsibilities with the states under the "New Federalism" banner unfurled in the State of the Union message.

The spending and revenue outcome when fiscal 1983 ends 20 months from now on Sept. 30 also turns on the economy's performing at least as well as the president's advisers forecast.

Repeal of Tax Credits

Inevitably, Mr. Reagan acknowledged, Congress will make some changes. Among the proposals that seem to have the least probability of adoption are the repeal of energy tax credits for business, imposition of user fees for aviation and recreational boating, deep cuts in subsidies for Amtrak passenger service, a huge expansion of federal leasing of offshore oil and gas lands, imposition of fees on low-income Medicaid patients and the sale of "surplus" federal property.

Among the proposed fee increases was a doubling of the passport charge to \$30, effective April 1.

Asserting that budget deficits "must be addressed squarely," the president devoted three and a half pages of his 21-page message to this subject. But he did not refer to the widely held view that the 1981 tax cut has been an important contributing factor.

Rather, he asserted that the emergence of deficits far larger than he had anticipated on taking office was no fault of his. It was, he said, to recession, the accumulated national debt and "our rapid and decisive success in bringing down inflation," which has had the side effect of eating into federal revenues.

Qualification on Rates

Mr. Reagan did not refer directly to suggestions of some Democrats and Republicans that the deficit could be reduced by stretching out the 1983 income tax cut, but the burden of his argument was to oppose such a change.

Mr. Reagan's opposition to any modification of the income tax cuts is regarded by some economists as inconsistent with the administration's forecast of steadily declining interest rates, a forecast that was confounded by events in 1981.

More sober than a year ago, the budget offered this qualification: "But the widely anticipated decline in interest rates will not proceed as rapidly nor as predictably as many hope. The attitude of inflationary pessimism that has dominated economic behavior in recent years will not be dissolved quickly."

As was true a year ago, there was some question whether the slow growth of money advised by the administration was sufficient

to finance the forecast growth of the economy at more than 4 percent a year after allowing for inflation. The budget did not disclose the assumptions about the money supply made by the economists who prepared the forecast.

The most favorable part of the forecast was the slowdown of inflation. The administration forecast consumer-price inflation of 6.6 percent in the year ending in the autumn of 1982, down from 8.9 percent in the 12 months through December.

Such a slowing would reduce the fiscal 1983 increases in Social Security pensions and other benefits that by law are tied to consumer prices. Mr. Reagan also proposed to modify the cost-of-living formula for federal civilian and military retirees. He asked Congress to raise their benefits by the increase of the consumer price index or the pay increase for the civil service, whichever is less.

Under the heading "Structural Changes," the budget document projected that Mr. Reagan's strategy would lead to larger shares of the government pie for defense, Social Security and health care and declines elsewhere. Those three parts of the budget would grow by 11 percent a year from 1983 to 1987.

For fiscal 1983, the budget projected spending cuts of \$43 billion, or almost as much again as the \$45 billion of cuts approved by Congress last year.

Mr. Reagan was listed as the Soviet Embassy's highest-ranking military officer. State Department records show that he headed the embassy's military attaché office, which represents the Soviet Army.

The incident was similar to one in 1978, when three Soviet citizens were caught picking up classified documents relating to the Navy's highly sensitive underwater warfare projects.

Two of the Russians were employees at the UN Secretariat, and the third was a member of the Soviet Mission to the United Nations. The diplomat was expelled.

The two UN employees were not diplomats and therefore had to stand trial. They were convicted and sentenced to 50-year prison terms in October, 1978. Before being imprisoned, however, they were allowed to return to the Soviet Union as part of an exchange in which five dissidents were released from Soviet jails and allowed to go to the United States.

According to the government official who supplied information, initial reports that Gen. Chitov was arrested after a high-speed chase were exaggerated. The official said that no other arrests were anticipated.

U.S. Discloses Use of an Informer To Trap Soviet Military Attaché

By Edward T. Pound

New York Times Service

WASHINGTON — The arrest of a senior Soviet military attaché more than a week ago came after the FBI arranged for an informer to pass to him what the Russian was led to believe was a "sensitive" document, according to a high-ranking government official.

The official said that FBI agents were on hand when the informer gave the document to the diplomat in a shopping center in a Washington suburb. The attaché, Maj. Gen. Vasily I. Chitov, was detained by bureau agents and later declared persona non grata and expelled.

Although Mr. Chitov's arrest and expulsion became known Thursday, it was not until Friday that it was disclosed that the FBI used an informer to trap the Soviet diplomat.

"The Soviets thought he was working for them, and he was not," the U.S. official said.

Concern Over Retaliation

The meeting was arranged, the official said, after the informer told the bureau that he had been approached by the Soviet Union. According to the official, the bureau was not sure who would pick up the material and was surprised when the Russian turned out to be someone of the high rank of Gen. Chitov.

On Thursday, government officials expressed regret that word of Gen. Chitov's expulsion had become known. Officials were concerned that the Russians would retaliate against a member of the U.S. Embassy in Moscow.

The identity of the person working with bureau agents was not made public. He was described only as someone who had access to classified information and who had cooperated with the bureau in a "controlled operation."

'Leaping at the Bait'

The nature of the document handed to Gen. Chitov was not disclosed, but the official said the Soviet Union thought the material was sensitive or classified. The official described the incident involving Gen. Chitov as a case of the Russians "leaping at the bait."

The official said it was fair to assume that the government did not want to hand over highly sensitive material and run the risk of allowing the Russians to pull off a "major coup" in the event that Gen. Chitov escaped.

The military attaché was not charged with espionage. He and his wife, Liya, left the United States Wednesday for Moscow, according to the State Department. A department spokesman said Thursday that the general had been expelled "for activities inconsistent with his diplomatic status."

Mr. Chitov was listed as the So-

viet Embassy's highest-ranking military officer. State Department records show that he headed the embassy's military attaché office, which represents the Soviet Army.

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Congressmen in Both Parties See Fight Over Reagan Plan

(Continued from Page 1)

Congress of 100 percent of what he's requested," which the senator considered unrealistic. He therefore expects the deficit to climb above the budget forecast.

Sen. Robert Dole of Kansas, chairman of the Finance Committee, said, "The Republicans I've talked with are frightened about the deficit." He called Mr. Reagan's proposal "a credible budget" but one that needed "a lot of work."

Democrats emphasized what they considered the callous character of the administration. Sen. Gary Hart of Colorado said, "The administration understands that its mandate is about to run out, and the radicals in the administration are pressing for all they can get."

Sen. Alan Cranston of California, a Democrat and chairman of the House Budget Committee, denounced the budget as "unfair, unwise, unworkable and unrealistic," and predicted "the deficits are going to be larger than the president predicts."

Rep. James R. Jones of Oklahoma, a Democrat and chairman of the House Budget Committee, called the deficit "too large," and added, "unless we get the deficits under control we'll have high inter-

est rates that will frustrate recovery."

The specter of burgeoning budget deficits appeared to have created an unlikely alliance between Republican and Democratic members of Congress, who urged Mr. Reagan to scale back the growth in military spending. Sen. Dole spoke of "a growing consensus among Republicans that defense is not off limits" in the search for ways to reduce the deficit.

Rep. Robert H. Michel of Illinois, the Republican minority leader, said: "Most of the members feel that they went along with a precipitous increase in defense spending last year, and that you can't have that two years in a row."

But although fear of large budget deficits has led to a general bipartisan conviction that the military budget should be cut, Rep. Les Aspin, a Wisconsin Democrat, has warned that substantial cuts in the fiscal 1983 budget could come only from those areas in which the military was weakest — personnel, operations and maintenance and research and development.

"We don't have enough military personnel, we don't have enough spare parts, practice rounds or flying time for pilots," Rep. Aspin said.

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Israel Declares UN Condemnation Over Annexation as 'Null and Void'

By William Claiborne
Washington Post Service

JERUSALEM — Israel's Cabinet declared the UN General Assembly resolution recommending sanctions against Israel for its annexation of the Golan Heights "null and void" Sunday and charged that the world body had become a "tool wielded by hostile states to spread their enmity and hypocrisy."

The rejection, written by Prime Minister Menachem Begin and endorsed unanimously by the Cabinet, said that the vote Friday was a result of the "automatic anti-Israel vote" in the General Assembly, but said that Israel would persist in seeking peace with its Arab neighbors.

Referring to Arab rejectionist states and the Soviet Union, the Israeli statement declared: "Not the representatives of countries which for more than 30 years have refused to make peace or even to negotiate it will be the ones to determine that Israel is not a peace-loving country. Nor is a superpower which invaded Afghanistan and which moved the Polish government to establish a regime of repression and the liquidation of the most fundamental human rights going to preach to anybody about expansionist designs."

The Cabinet communiqué added: "The automatic anti-Israel majority in the UN General Assembly has demonstrated once again

that this international body is an instrument not for the establishment or the maintenance of peace, but, on the contrary, is a tool wielded by hostile states to spread their enmity and hypocrisy, undermining the peace and security of nations."

Despite its rhetorical sharpness, the official Israeli reaction appeared to reflect a studied attempt by the Begin government not to exacerbate the controversy over the Golan Heights annexation, and to put the UN measure behind it with one concise condemnation.

Christina Onassis Accused of Greek Tax Law Violations

Washington Post Service

ATHENS — As part of a new campaign to end tax evasion, the Greek government has accused shipping heiress Christina Onassis of failing to submit a tax statement on the inheritance of her father's Greek-based assets, and has indicated that she may owe about \$45 million in back taxes.

The charges were made in a Finance Ministry announcement Saturday. Miss Onassis was reportedly contesting the state's demands on the ground that she inherited companies based in Greece but owned by Panamanian companies. Her father, shipping tycoon Aristotele Onassis, died in 1975.

Miss Onassis' inheritance was known to include Olympic Airways, the national airline company that was sold to the state shortly after Onassis' death. She also inherited the Piraeus-based Springfield Shipping Co.

The case against Miss Onassis is the most spectacular since the Finance Ministry launched a drive in January to curb widespread tax evasion. The practice is believed to have cost the government about \$2.5 billion in 1981 — almost equal to the balance of payments deficit for that year.

democratic statement that will not fuel further exchanges.

There was no reference to the Golan Heights, and not even implicit criticism of countries, such as Peru and Nepal, which have full diplomatic relations with Israel but voted in favor of the resolution.

Instead, the Israeli statement dwelled on the countries who voted against the resolution, and expressed appreciation for the 34 UN member countries, including Egypt, which abstained. Sixteen members were absent for the 86-21 vote, which called for a total diplomatic, economic and military isolation of Israel.

Nearly every industrially advanced country, including the United States, was among those opposed to the vote Friday. Most of the abstentions came from Latin America and the Caribbean, although a few were from Africa.

U.S. Warning

Several ministers reportedly sought during the Cabinet discussion to tone down the oblique condemnation of the Soviet Union, but Foreign Minister Yitzhak Shamir was said to have complained that the Soviet delegation to the General Assembly delivered a particularly harsh attack on Israel that could not go unmentioned.

Mr. Begin, who is recuperating from a broken thigh bone, did not attend the Cabinet meeting. The UN document declares that Israel has breached its commitment under the assembly resolution that it admitted it to membership in 1949. This could be used as the basis to challenge Israel's right to sit in the assembly. The United States has warned, however, that it will boycott the assembly if Israel is barred, and that threat is regarded as a virtual assurance that no ouster move will succeed.

The text also urges all United Nations members to stop supplying Israel with arms, money, goods and services and break off all diplomatic and cultural relations.

A Foreign Ministry official said, "This decision was not operative, after all. It hardly is a recommendation. It was reactive but limited, since its operative stage was vetoed in the Security Council."

He added that the 1974 General Assembly resolution that equated Zionism with racism drew a stronger Israeli reaction because a larger majority had passed it, and because "that was a blatant assertion of anti-Semitic propaganda."

Even in a coincidental meeting Sunday with UN Undersecretary Brian Urquhart, who is in the region visiting UN peacekeeping units, Mr. Shamir kept discussion of the resolution to a minimum and dwelled instead on southern Lebanon and a buildup of Palestinian Liberation Organization forces there, official sources said.



British businessman Andrew Pyke and his wife, Ursula, at a news conference at Amsterdam's airport after his release from prison in Iran. He had been held for 17 months without charge.

Briton Held 17 Months by Iran Says He Was Framed

United Press International

AMSTERDAM — British businessman Andrew Pyke said he had been framed on charges of spying and embezzlement in revolutionary Iran, where he spent 17 months in jail without trial before his release last week.

"Someone made a number of ridiculous allegations against me to the authorities. I don't need to tell you that of course I was

completely innocent," Mr. Pyke, 42, said on arrival Saturday at Amsterdam's airport.

The Islamic regime arrested Mr. Pyke, who managed the Iranian operation of a company that supplies helicopter support for the oil industry, in August, 1980. He was accused of spying but charges were never filed. "I had this naive idea that because I was innocent I would be released immediately," he said.

Arriving from Athens, where he was met by his wife, Ursula, Mr. Pyke said that he was acquainted with two of six Americans who the U.S. State Department says are still imprisoned in Iran.

"I knew one of them very well and had met another," Mr. Pyke said at the airport. He said that he had no information on their prospects for release.

U.S. Says 6 Americans Remain Held by Iran

By Don Oberdorfer
Washington Post Service

WASHINGTON — Six Americans, including a former pilot for Jimmy Carter's Georgia political campaign, are being held in Iranian prisons, according to the State Department.

The department, in a cautiously worded statement Friday, said it could provide only limited information because of privacy laws as well as concern for the prisoners' welfare.

There is no indication of a political dimension in these cases similar to that of the Americans held hostage in Iran for 14 months, according to official sources.

Among the six Americans being held, the department said, is Erwin

David Rabhan, a pilot for Mr. Carter's 1970 gubernatorial campaign.

In late 1976, shortly after Mr. Carter's election to the presidency, Mr. Rabhan was reported to be under federal investigation in connection with various business ventures. However, he was said to have left the United States for Tehran, where he also had business interests.

Arrested in 1980

Another captive is a free-lance journalist, Jerry Graham, who was seized last December. He is believed to be the most recently arrested of the six.

Two of the prisoners, according to official sources, are American women married to Iranians. The

State Department declined to identify them.

Still another captive is Zia Nassary, a naturalized American who was born in Afghanistan. He was arrested in Tehran in March, 1980, while promoting the cause of Afghan refugees.

The identity of the sixth person could not be learned. The State Department declined to discuss the charges, formal or informal, against the Americans. There was no indication that the prisoners knew each other or that their cases were connected.

A spokesman said that efforts were being made through the Swiss Embassy in Tehran, the protecting power for Americans in Iran, to gain consular access and provide counsel to the prisoners.

U.S. Reportedly Sent Counterterrorist Unit To Italy on Dozier Case

By Walter Pincus
Washington Post Service

WASHINGTON — Members of a secret, elite task force that the Pentagon formed last year were sent to Italy to be available to Italian police in the rescue of Brig. Gen. James L. Dozier, government sources revealed.

The Counterterrorist Joint Task Force group, which reportedly numbered fewer than 20 men, has since returned to its base in a remote portion of Fort Bragg, N.C. The new Pentagon task force has taken over the duties of the Army's Blue Light team that provided the core of the group sent to Iran in 1980 in the attempt to free the 52 American hostages.

The day after Gen. Dozier was kidnapped from his Verona apartment by members of the Red Brigades, the Pentagon announced it had sent a six-man squad to act as a liaison with Italian authorities. In fact, sources said, those men — never identified — were a cadre from the CJTF, as the counterterrorist organization is known within the Pentagon bureaucracy.

The Dozier operation, sources said, was the first major deployment for a unit of the elite group, which was created to help deal with terrorism against U.S. citizens, interests and property around the world.

Contingency Plans

The task force has its own intelligence operations and tries to predict activities that could affect Americans. Then it develops contingency plans on how to respond. It is continually running exercises, in part based on what it believes is going on within terrorist groups.

While the FBI has the prime role in dealing with terrorism within the United States, the Pentagon's task force has become the main one to be employed abroad if

the president decides action should be taken.

In cases involving friendly countries, the task force does not become involved unless it is invited, as was the case in Italy, sources said.

One hallmark of the unit is the secrecy of its organization and operation. The identities of its commanding officer and associated personnel are classified.

At a closed congressional hearing last summer, which has been declassified and released, members of the House Appropriations Subcommittee on Defense were told that because of its sensitive nature, requests to visit the unit by members of Congress had been turned down.

"We wish to keep the techniques and the specific capabilities and identification of the force down to an absolute need to know," said Lt. Gen. Philip C. Gast, director of operations for the Joint Chiefs of Staff.

Rouming in Italy Continues

ROME (Reuters) — Italian police have arrested more than 150 guerrilla suspects and dismantled 25 of their bases since the liberation of Gen. Dozier 11 days ago in Padua, Interior Ministry sources said Sunday.

"About 150 suspects have so far been rounded up and some 25 hideouts were smashed, a source said. "The crackdown continues in all parts of Italy," he added.

Most of the arrests and the discovery of two arms depots near Venice and Florence was accomplished because of intelligence obtained from guerrilla suspects arrested during and after the kidnapping of Gen. Dozier, 50.

Police sources said information by Antonio Savasta, one of the five arrested in the rescue of Gen. Dozier, helped them discover the biggest arms cache in northern Italy last week.

Africans Said to Draft Truce Plan for Sahara

The Associated Press

NAIROBI — African foreign ministers have drafted a cease-fire plan for the Western Sahara that would involve troops from the United Nations and the Organization of African Unity, informed African sources said Sunday.

The sources said the troops would be part of a monitoring force to ensure that Polisario Front guerrillas and Moroccan troops observe a cease-fire in the area, which is between Morocco and Mauritania.

The cease-fire plan and a draft for a referendum in the Western Sahara were debated by the foreign ministers on Sunday. They will be presented at a two-day mini-summit Monday on the Western Sahara.

Last August, a seven-nation OAU committee set broad conditions for a cease-fire and referendum in the mineral-rich territory, which was formerly the Spanish Sahara.

Report on Reactions

Foreign ministers from the seven countries, meeting before Monday's mini-summit, heard a report Saturday on the official reactions of Morocco, which has annexed the Western Sahara, and the Polisario, which is fighting for its independence.

A committee source said neither the Polisario nor Morocco rejected the conditions, so the foreign ministers agreed to go ahead with draft plans for the cease-fire and referendum.

The source said it is possible that the heads of state might set dates for a halt to hostilities, and for voting by inhabitants of the Western Sahara on whether to become independent or to approve Morocco's annexation.

Foreign ministers of the seven nations — Kenya, Nigeria, Sudan, Tanzania, Guinea, Sierra Leone and Mali — have not consulted with either the Polisario or Morocco.

[On Saturday, Mohammed Ould Saleck, the Polisario Front's information minister, accused the United States of direct military intervention on the side of Morocco in the seven-year war, United Press International reported from Nairobi.]

[Mr. Saleck said the United

States has 5,000 military advisers in the territory. He said the advisers aid Moroccan forces by mining towns and roads in Western Sahara. The U.S. Embassy in Morocco declined to comment on the charges. About a half dozen advisers have been training Moroccan Army personnel at a Moroccan base since the Reagan administration increased military and economic aid to Rabat, informed sources said.]

The Kenya news agency said King Hassan II of Morocco would be attending the mini-summit, but gave no details on his arrival.

Past Proposals Rejected

At a news conference on Saturday, Mr. Saleck demanded direct negotiations with Morocco. He said, "It is impossible to achieve the peace without negotiations between the Polisario Front and Morocco."

King Hassan has repeatedly rejected any direct contacts with the Polisario — and sources said this issue could pose a major obstacle at the mini-summit.

The OAU committee proposal adopted last August appeared ambiguous on the question of direct negotiations between the warring parties. It said: "The committee orders the parties in conflict to agree on a cease-fire through negotiations under the auspices of the committee."

The Polisario has been waging a war for independence in the Western Sahara since Spain withdrew in early 1976. Morocco has laid historic claim to the territory.

The heads of state are also expected to hear from Mauritania, which renounced its claim to the Western Sahara in 1979, and from Algeria, which backs the Polisario. Both Mohammed Khouna Ould Haidalla, the Mauritanian president, and Benaid Chadli, the Algerian president, are scheduled to attend the summit.

Spain Separatists Free Industrialist

Reuters

MADRID — The military wing of the Basque separatist group ETA said Sunday that it had released an industrialist held hostage for a month. It said its demands had been met, but did not specify how.

The group said in a communiqué to the San Sebastian newspaper Egin that, if the demands had not been met, it would have killed the captive, José Lipperheide, 76, a German-born Basque, who was abducted from his Bilbao home Jan. 5 and released Saturday at a dock outside the city.

His family and officials have refused to confirm that a ransom was paid, but the Basque and national media, quoting a variety of sources, have put the ransom at between \$1 million and \$1.5 million.

53 S. Korean Soldiers Killed in Plane Crash

United Press International

SEOUL — A South Korean military transport plane crashed in high winds on an island off the southern coast, killing 53 soldiers on a training mission, the Defense Ministry reported.

A ministry spokesman said Saturday the C-123 troop transport crashed Friday afternoon on Cheju, South Korea's largest island, 55 miles (88 kilometers) south of the mainland, in the one of the nation's worst air disasters.

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23 Are Killed in Crash Of India Air Force Plane

The Associated Press

NEW DELHI — All 23 military personnel aboard a U.S.-made transport plane of the Indian Air Force were killed Sunday when the aircraft crashed in heavy snow in the foothills of the Himalayas, the government reported.

The crash occurred in the rugged uninhabited region of Lohi Malar, 200 miles (320 kilometers) northwest of the Indian capital, in Kashmir state, a spokesman said. Police rescue teams were reported to have recovered 13 bodies.

His family and officials have refused to confirm that a ransom was paid, but the Basque and national media, quoting a variety of sources, have put the ransom at between \$1 million and \$1.5 million.

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Without Laker, Fares May Go Up

But Airlines See No Bonanza From Competitor's Demise

By Agis Salpukas

New York Times Service

NEW YORK — The demise of Laker Airways is likely to make it easier for other carriers to raise fares and fill more of their seats on the hotly competitive North Atlantic routes, airline executives and analysts have predicted. They said this would help such hard-pressed airlines as Pan American World Airways and British Airways, but not enough to improve their fortunes dramatically.

Cuba and Angola Reject U.S. Push On Troop Pullout

United Press International

LISBON — Cuba will consider withdrawing its 15,000 to 20,000 troops from Angola only when South Africa pulls its forces out of neighboring Namibia, Cuban and Angolan officials have said.

Paolo Teixeira Jorge, the Angolan foreign minister, and Ididoro Malmierca, his Cuban counterpart, issued a joint statement Saturday in Luanda that rejected U.S. pressure for the withdrawal of Cuban troops. The statement, contained in an Angolan news agency report that was monitored in Lisbon, said any decision on the Cuban troops was at once a sovereign and a bilateral matter.

The statement said Havana will "follow without hesitation any decision" made by the Angolan government on the presence of the Cuban expeditionary forces. Western intelligence services estimate the number of Cubans in Angola at between 15,000 to 20,000 troops.

Once Namibia becomes independent and South African troops withdraw, "which will considerably diminish the dangers of aggression against Angola," Havana and Luanda "will analyze relaunching the program of withdrawal of Cuban forces," the agency quoted from the statement.

Pope to Visit Spain in Fall

The Associated Press

VATICAN CITY — Pope John Paul II will visit Spain in mid-October for the 400th anniversary of the death of St. Teresa, the Vatican said Saturday.

Col. Edgar Harland Keltner Dies; Co-Founded U.S. Toy Company

The Associated Press

WHITE PLAINS, N.Y. — Louis Marx, 85, who turned a two-man toy business into a multimillion-dollar empire, died Friday.

Mr. Marx began a toy company with his brother, David, during World War I, when imports from Germany, then the major U.S. supplier, were stopped. The company was sold in 1972 to the Quaker Oats Co. for \$52 million and has since become part of Dumblebom-Marx Ltd.

Col. Adrian Williamson Sr. Dies; Co-Founded U.S. Toy Company

The Associated Press

MONTICELLO, Ark. (AP) — Army Air Corps Col. Adrian Williamson Sr., 89, who formally accepted the Japanese surrender in Hong Kong at the end of World War II, died Friday.

Small Fare Increases

The Associated Press

The planned increases are small because of concern that if fares go too high, they will diminish already depressed traffic.

Rescue of Laker Considered

The Associated Press

LONDON (UPI) — Orion Royal Bank, a subsidiary of Royal Bank of Canada, said Sunday that it was exploring the possibility of reviving Laker with fresh funds, United Press International reported from London.

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Socialists Ask Lisbon to Oust Soviet Envoys

Russians Said Soares Needed Mental Help

Reuters

LISBON — Portuguese Socialists on Sunday urged the government to expel top Soviet diplomats, after the Soviet Embassy here referred to opposition leader Mario Soares as mentally sick and said he needed psychiatric care.

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ROYAL COUPLE — Princess Marie-Astrid of Luxembourg and Christian of Habsbourg-Lorraine leave Luxembourg's Notre Dame Cathedral after their wedding Saturday. The groom, who was born in Brussels and works in a bank there, is a grandson of the last emperor of Austria-Hungary. The couple plan to move to New York. Both are 27.

Elizabeth Spends 30th Anniversary Of Reign in Seclusion of Her Estate

The Associated Press

LONDON — Queen Elizabeth II spent the 30th anniversary of her accession to the British throne in seclusion at her country estate.

Most newspapers carried photographs showing the 55-year-old monarch strolling Saturday in the grounds of Sandringham, Norfolk, with her husband, Prince Philip, 60.

A Buckingham Palace spokesman said that there would be no celebrations because it is also the day her father, George VI, died at Sandringham in 1952.

Elizabeth Mary Alexandra became her presumptive at the age of 10 amid the furor when her uncle, Edward VIII, abdicated to marry a twice-divorced American, Wallis Simpson, and her father became king.

The Daily Express noted that Britain's power and prestige is "much lower now" than when the 25-year-old Princess Elizabeth, then a mother of two small children, flew home in mourning from Kenya where she and Philip were touring.

"But her reign has been a triumphant success in every way open to her," the Express said. "She has made the monarchy our favorite institution and she is herself a rock of stability."

The Daily Mirror, under the banner "Long May She Reign," said: "While all else has changed, she has been unchanging. In those years, the influence of Britain has been diminished. She remains the most famous woman in the world."

Under the headline, "The Girl I Saw Become Queen," The Times of London carried a tribute from former Labor Party Prime Minister Harold Wilson, one of the eight prime ministers — Conservatives and Socialists — who have governed during Elizabeth's reign.

Bolivian Miners to Strike

Reuters

LA PAZ — Bolivian tin miners announced Sunday that they will strike for 48 hours from Monday to protest emergency government economic measures that include a 76 percent devaluation and steep increases in energy prices. The steps were taken to attract international financial aid to pay off a \$3.82-billion external debt.

Fossil Provides a Clue To Spread of Flowers

By Bayard Webster

New York Times Service

NEW YORK — Two scientists have found fossil evidence in Wyoming of a previously unknown animal believed to have been the first leaf-eating mammal. The chipmunk-like animal may have played a vital role in the spread of flowers, the scientists believe.

The still-unnamed species flourished in the late Jurassic and early Cretaceous periods, about 130 million years ago or earlier. Researchers believe it evolved from flesh-eating species at the same time that flowering plants started to spread.

Techniques for dating minerals revealed that the animal preceded previously discovered related species by 20 million years. The announcement of the finding was made Wednesday by Johns Hopkins University in Baltimore, which co-sponsored the research.

Bumpy Teeth

Robert T. Bakker, a Johns Hopkins paleontologist who led the excavating team, said the animal belonged to the order Multituberculata (animals with bladed, bumpy-surfaced teeth).

"The key event in the evolution of the species was the development of a jaw joint which allowed the lower jaw and its teeth to grind fore and aft across the upper, permitting the shredding of leaves and plants," Mr. Bakker reported. "Such an action is essential in providing the large amounts of plant fibers needed for the high metabolism rates of the animals."

Mr. Bakker, with Kenneth Carpenter, a researcher at the University of Colorado, has spent the last six years searching for fossils in the Como Bluff area of Wyoming, a few miles south of Medicine Bend.

'Little Heroic One'

Their excavations, supported by the National Geographic Society, are in one of the world's most famous dinosaur deposits, where the brontosaurus and stegosaurus were first found in 1877. The High Plains area, several thousand feet above sea level, has several upward thrusts of the Earth's crust that enable paleontologists to find fossils close to the surface.

The scientists said they proposed to name the creature the "zofia" in honor of a prominent Polish paleontologist, Zofia Kielan-Jaworowska. The name means "Zofia's little heroic one."

Mr. Bakker said in a telephone interview.

The advent of animals with sliding jaws and bladed teeth that could grind leaves coincided with the beginnings of a radical change in the landscape, said Mr. Bakker, who is known for his theory that dinosaurs were warm-blooded. The landscape, which was full of con-

ifers and other nonflowering trees, became one in which flowering plants were dominant.

Although some dinosaurs ate flowering plants as well as grasses, ferns and mosses, they were far outnumbered by the hordes of multituberculata, such as the newly discovered animal.

The multituberculata, as scientists call them, scattered the seeds of the plants they ate and are believed to have hastened the spread of flowering plants (angiosperms), which were dominant by the mid-Cretaceous Period, the time of the greatest abundance of multituberculata.

Various species of multituberculata in size between modern-day chipmunks and woodchucks. They survived the extinction of dinosaurs about 65 million years ago, living into the Cenozoic Era. They became extinct about 30 million years ago, and their ecological niche was filled by rodents.

Scientists speculate that multituberculata, probably related to the egg-laying duck-billed platypus, were more primitive and less efficient food gatherers than even the earliest rodents. But they were more adaptable than many carnivores because a wider range of food was available to them.

"Multituberculata ate everything," Mr. Bakker said, referring to vegetation. "Were they alive today, like rodents, they would be considered pests."

Centrist Alliance In U.K. Has Lost Support, Poll Says

Reuters

LONDON — The popularity of Britain's new centrist political alliance has suddenly slumped, according to an opinion poll published Sunday.

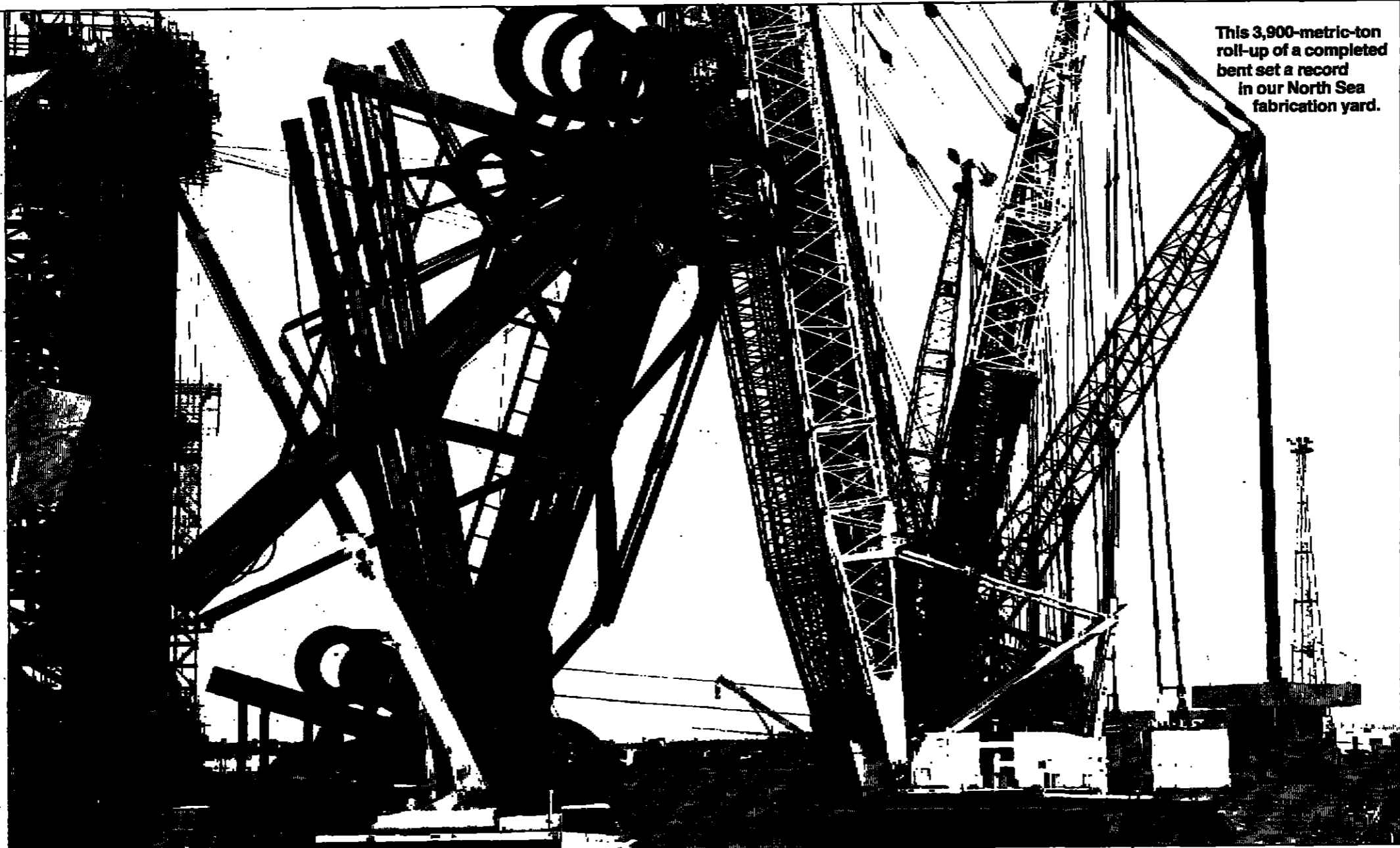
The poll, by Market and Opinion Research International for The Sunday Times, indicated the alliance between the Social Democratic Party and the Liberal Party, which has had great success up to now, had lost one in four supporters in less than three months.

Another poll by the same firm, published in The Daily Express last week, also showed the Conservative and Labor parties regaining popularity at the expense of the SDP-Liberal alliance.

The Sunday Times said the latest poll showed backing for the alliance had dropped from 44 percent of the electorate in November to 34 percent, leaving it ahead of all other parties but leading the ruling Conservatives by only 1 percent.

The alliance has been dogged by divisions about the sharing of candidates and its future leadership over the past few months.

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No More North-South

The World Bank no longer considers India to be the premier example of massive poverty, and the Indian government's reaction is a classic example of mixed emotions. The bank's reappraisal is justified recognition of India's progress in recent years. But it is recognition of the more expensive sort, since it means that the World Bank is going to cut back India's share of the subsidized loans. A.W. Clausen, the new president of the bank, visited there recently to deliver the message that India is now capable of paying commercial rates for credit.

The World Bank — whose shareholders are governments and whose mission is development — is moving through a fundamental change in its view of the world. Until now, the bank has addressed its work essentially in terms of the disparity between the world's rich industrial North and the impoverished South. Mr. Clausen holds that the North-South distinction has ceased to be useful. Instead, he describes a world in which many kinds and degrees of economic power have emerged, each with its own responsibilities. He speaks of Asia's rising standards of living, its great gains in food production and its wealth of trained manpower. The most severe concentration of poverty now — and the only part of the world where a large number of countries have actually suffered declining incomes — is in Africa south of the Sahara. There, the bank urges a doubling of aid.

Mr. Clausen foresees a decade in which trade expands much more rapidly than the world's output, he said last month in a speech to a Japanese audience. It means that the newly industrializing economies will supply an increasing share of manufactured

goods that the industrial countries of North America and Western Europe use. Those countries are going to have to make their living in high technology. Both labor and capital are going to be much more mobile, according to this perspective, with millions more people migrating across national boundaries to find new jobs. A rising proportion of the credit to support this growth, he believes, will come from private lenders.

The bank's essential job, as Mr. Clausen sees it, is to be a catalyst for this flow of private capital for development. He recently said, in a line doubtless aimed at the Reagan administration, that the World Bank "is not in the business of redistributing wealth from one set of countries to another set of countries. It is not the Robin Hood of the international financial system."

That is a reasonable position, as long as everybody keeps a couple of qualifications in mind. The flow of private bank loans to developing countries has been heavily concentrated on a short list of nations — beginning with Brazil, Mexico and Venezuela — that have strong credit. Further, there is a good deal of anxiety about the scale of the commercial banks' loans to the Third World. Private lending is not likely to keep expanding at the past decade's rate.

Mr. Clausen is trying to warn the borrowers that the traditional kinds of aid are going to be in short supply as long as the economies of the rich countries remain under strain. Simultaneously, he wants to reassure the lenders that their money is being stretched to the limit. That is what led to his expensive compliment to India.

THE WASHINGTON POST.

More for El Salvador?

What is one to make of the new alarms — and commitments — concerning El Salvador? To justify much more military and economic aid, and even vague threats of direct U.S. action, President Reagan has just certified the unlikely: That the junta is becoming more respectful of human rights and therefore showing promise of popular appeal. And Secretary of State Haig suggests the unproven: that outnumbered guerrillas are beating a U.S.-equipped army mainly because of Soviet and Cuban arms.

As a practical matter, Congress may have little choice but to give more help to a floundering, repressive regime. Pulling the plug would forfeit what chance remains for a settlement among democrats on both sides of the barricades. But if Congress feels compelled to go along one more time, it need not swallow the story. And it can underscore its conditions.

One point seems beyond dispute. The battle is going against President Duarte's right-center coalition. The U.S. Ambassador to El Salvador, Dean Hinton, reported a marked upswing in insurgent strength three weeks ago. His judgment was sustained recently when guerrillas destroyed at least 15 government aircraft — half the air force.

Mr. Hinton estimates total guerrilla strength at 4,500 to 6,000. That they can frustrate a much better equipped army of 18,000 surely reflects sadly on the U.S. premise that the Duarte regime can gain favor with the population of 4.7 million without broadening

its political base toward the left. Small wonder that some of the U.S. soldiers advising that army doubt its prospects and ache to multiply its firepower. Small wonder that Mr. Haig is tempted to look for more remote villains. Has the flow of Soviet arms, through Cuba and Nicaragua, significantly increased?

Secretary Haig believes so. Recent history suggests that it would be naive to dismiss his fears out of hand — or to accept them on faith. So far, the evidence hardly matches the new anxiety about the Soviet factor. No Cuban "advisers" or sizable caches of Soviet weapons have been seen by Western correspondents in El Salvador. Nor does the State Department add much weight when its obviously pained spokesman says: "I don't have anything specific for you at the moment other than to indicate that the statements represent a clear consensus by those accumulating and assessing data."

The problem with swatting at the Russians to justify a deeper U.S. involvement is that it too neatly diverts attention from the social rot in Salvador. Crying havoc about Cuban arms diverts the argument over the political failures of the Duarte regime, and particularly its most brutal agents in the security forces.

The junta has not earned yet another blank check. Congress should insist on a timetable for measuring progress toward agreed political objectives and prepare itself to monitor the results.

THE NEW YORK TIMES.

Europe's Unemployment

Unemployment in Britain now exceeds 3 million people, pushing the rate up to a staggering 12.7 percent of the labor force. On top of its own longstanding troubles, Britain is also caught in the wider recession in full force throughout the industrial world.

Europe provides a sort of testing laboratory for different national policies. The British case is well known in the United States. The economy has a long record of low growth and wages run about two-thirds the U.S. level or less, just as they did a generation ago. The rise in productivity has been slow, and inflation has been rapid.

So it follows that the Thatcher government's drastic anti-inflation policy, imposed on a weak economy, has sent unemployment soaring — or at least some say this is what happened. But is it?

Perhaps so, but look across the Channel to Belgium. There you will find an economy of extraordinary wealth and efficiency. Inflation has been low, and the rise in productivity has been rapid. And yet here again unemployment is extremely high — higher even than in Britain. Why should two such different economies produce the highest unemployment in northern Europe?

The answer seems to lie in the ways in which their labor markets adjust, or fail to adjust, to changing circumstances. A low unemployment rate is usually the sign of a flexible labor market. People can shift from one

industry to another without undue hardship and, equally important, wages can move down as well as up. When a country runs into economic trouble and national income drops, sometimes the loss can be spread over a lot of people of whom each takes a small reduction in earnings. But when wages are held up rigidly — by law, labor contracts or political tradition — the drop in income has to result in unemployment.

Nobody likes taking wage cuts, and they certainly are not a cure for a recession. But once a recession arrives, there is an important choice between lower wages and fewer jobs. Very different in most other respects, Britain and Belgium both have extremely sticky labor markets, even by Europe's standards. In Britain, it has a lot to do with the unions in the huge nationalized industries and their conviction that wages are a wholly political matter. In Belgium, wages are indexed by law to the inflation rate — although the new government is moving hastily to change the formula.

These European examples deserve careful attention. In some high-wage industries in the United States, working people have accepted some erosion in earnings. Where they have refused, the threat of layoffs has risen. That is why it is a pity that negotiations between General Motors and the United Auto Workers have broken down.

THE WASHINGTON POST.

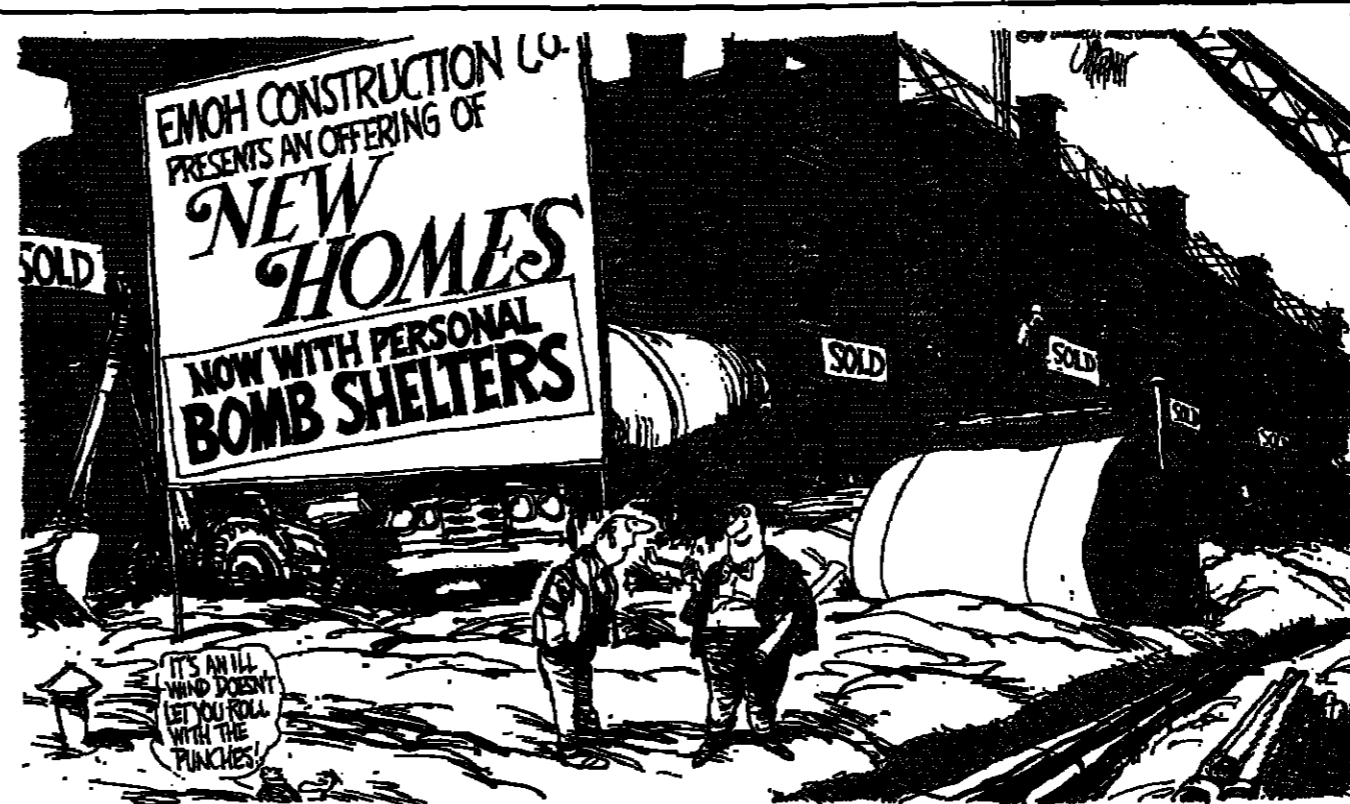
Feb. 8: From Our Pages of 75 and 50 Years Ago

1907: The Kaiser's Foe

PARIS — Today's editorial in the Herald reads: "Now that the Kaiser has got his majority in the Reichstag the question arises: What will he do with it? Does his victory portend peace or war? It may as well be admitted that the European public is inclined to be pessimistic and to regard war as the most probable hypothesis. But the consensus of opinion is that France is not the objective point of any warlike designs that the Kaiser may have. If any power is menaced by the Kaiser's forward policy, it is England, and not France. Wherever England and Germany meet in any part of the world, they meet as rivals, and their interests are irreconcilable."

1932: Food Blockade

BERLIN — A food blockade "to drive the Bolsheviks" out of Germany is Hitler's plan if and when he gets control of national affairs, according to circulars found in a raid on homes of prominent Nazis. Police, acting under President von Hindenburg's decree for fighting political terrorism, raided homes in Baden and found circulars urging farmers to retain their crops, so that the Hitler government "can satisfy the food wants of the nation when it comes into power," it was announced. "The Jews, Germany's worst enemies," one letter is quoted, "would attempt to buy crops in order to increase prices and drive Germany into the arms of Bolshevism."



Nightmarish Dreamland of Civil Defense

By Andrew Tolan

NEW YORK — U.S. civil-defense officials, inspired by a reaffirmed presidential directive that authorizes a new and expanded civil-defense policy, are reviving dangerous and illusory assumptions about life after nuclear war.

Officials at the Federal Emergency Management Agency, which is responsible for civil defense, argue that U.S. society would survive a nuclear war in which tens of millions of people died. Yet the agency's own plans clearly demonstrate the delusion in its hopes of survival.

"Crisis relocation planning" is the current watchword of civil-defense planners. Federal Emergency Management Agency officials are using their \$128.3-million budget to devise "custom-made plans" — an \$11.2 million increase over the fiscal 1981 budget — for evacuation of the 380 "high-risk areas" in the United States. These evacuations would be carried out in response to similar Soviet evacuations, to avoid, as a spokesman put it, "a disparity of vulnerability."

The plans call for the "survivability" of 80 percent of the U.S. population. Thus, the agency's 204 nuclear civil-protection planners will be "successful" if only 44 million U.S. citizens die in a nuclear war.

Crisis relocation presupposes a predictable buildup of international tensions, followed by swift, orderly evacuations of "risk areas." But crisis relocation would merely create new locations for the crisis.

Re-Targeting

In a list of "10 Illusions of Civil Defense," two physicians, H. Jack Geiger and Eric Chivvis, note that even if major evacuations of the 380 risk areas were successful — an unlikely prospect, given the usual choking of roads and highways during daily rush-hour traffic — the Soviet Union could simply re-

target its missiles. Mass evacuations would take at least three days. The Russians can re-target missiles in a fraction of that time.

Many of the 380 "custom-made plans" are completed. In Flattsburgh, N.Y., for example, residents are instructed to "Prepare now. Check to see if you live in the Risk Area."

Check your route assignment and route map. Check your home for security. See that all locks are secure. Close all window shades, blinds and drapes. These instructions are for people physically able to evacuate.

What about those unable to move themselves, like people in hospitals? The Flattsburgh instructions address this problem: "If you are in a hospital (or any institution) you will be evacuated. Patients who cannot be removed because of special requirements will be sheltered and cared for in case of imminent attack." How?

No Chance

The agency's secondary plan — placing us in fallout shelters — is what officials there call the "in-place option for saving lives." But fallout shelters are not blast shelters. Within five miles of a nuclear strike, as Dr. Geiger points out, fallout shelters heat to 800 degrees Centigrade (1,472 degrees Fahrenheit) and "become crematoriums, in which people are simultaneously dry-roasted and asphyxiated."

Suppose millions of urban residents were successfully relocated. And suppose most of them found their way to sufficient fallout shelters — stocked with ample supplies of food, water and uncontaminated air — miles from the nearest nuclear strike. After two weeks, when radiation levels went down, these refugees would emerge and return — to what? Inevitably, many "relocateds" would not

find shelters. Where would they hide? The agency's fallout map of the United States looks like a satellite weather photo on a bad day.

Do the agency's officials and outside "survivalists" really think there will be a society left to rebuild?

With millions dead and dying; with irradiated crops, water supplies and wildlife; with no news organizations, telephone lines, sewer systems, schools, hospitals and banks — do these people really believe survival is possible?

Agency officials acknowledge that millions of people suffering from radiation sickness would be untreatable. In the spring, 1981, issue of the agency publication "Emergency Management," the nation's civil defense director, William K. Chipman, wrote: "Definitive treatment cannot be provided for survivors suffering radiation sickness. Care for radiation casualties include bed rest, nursing and other supportive care."

The government's opium stockpiles form the basis for this "other supportive care." The U.S. government has recognized the hopelessness of nuclear war and is stockpiling 71,303 pounds of opium to meet "essential civilian needs" during a national emergency. This facility is further acknowledged by the agency's "re-analysis of nuclear requirements," which calls for an additional 58,691 pounds.

The government should stop funding programs based on cruel, false hopes of survival. It is time to spend money on the prevention of nuclear war, not on ludicrous mopping-up plans for a post-attack era.

Andrew Tolan, a writer, is a consultant to the Institute for World Order's network to educate for world security. He contributed this article to The New York Times.

Mondale, Scholar and Candidate

By David S. Broder

WASHINGTON — A year ago, when he had just been removed from the White House office he enjoyed as vice president of the United States and severed from the public payroll for the first time in 20 years, Walter F. Mondale painted an idyllic picture of the life that was about to open up to him as a private citizen and highly paid Washington lawyer.

It would be, he said, a life of the mind, of reading and reflection. His book list would be prepared by the historian Barbara Tuchman, with supplemental readings suggested by leading economists, busi-

nessmen and national security analysts. In pursuit of wisdom, he would travel to China, Japan, the Middle East, spend 30 days in Europe, and become a familiar figure at the universities and research centers of his own land.

It was, Mondale wrote in a slightly self-conscious first-person article, entitled "The Re-education of Walter Mondale," published in November by The New York Times Sunday Magazine, "a chance to refresh myself spiritually and restock the shelves intellectually."

That was 1981. This is 1982.

Mondale has looked up from his reading and he has noted something remarkable: The 1984 election campaign is only two years away.

And so he has, like other young scholars before him, faced up to the conflict between the life of the mind and the demands of the workaday world.

At the Airport

If you cover a glimpse of Mondale these days, do not look in the library; try the airport, instead. Last Wednesday, he flew off to Tampa to do some anthropological field work at the state fair. On Thursday, it was on to Tallahassee for some intellectual exchanges with members of the legislature and a scholarly lunch with Gov. Bob Graham. On Friday, he went to the source of much wisdom, a Dallas newspaper editorial board luncheon, and then made a speech to the teachers of tomorrow's leaders at a National Education Association convention.

This week he will be addressing one of the most prestigious scholarly groups in America: the Maryland Democratic Party's Jefferson-Jackson Day dinner.

Next week, the course of scholarship will take him to eight fund-raising for seven Democratic congressmen in Ohio, Michigan, Wisconsin and Iowa. Then, there is a break for 10 days of skiing in Vail. (One must exercise the body, as well as the mind, goodness knows.) The March calendar, still incomplete, lists 11 events in ten states, all of them, except his native Minnesota, blessed not just with rich intellectual resources but presidential primaries as well.

In olden days, it is said, scholars frequently followed a favorite professor from city to city and university to university, picking up the crumbs of wisdom he scattered along the way. In our own time, the spectacle of the celebrity on the honorary-degree-hunting circuit is not unknown.

For some reason, in the Mondale entourage, the badges of wisdom he is collecting are referred to as "political IOUs," and Mondale seems determined to have more of them earlier in the chase for the

1984 nomination than any other Democrat.

When I caught up with him the other day after a cable television taping in Washington (another part of his limitless urge for scholarly discourse), he said that by June or so, he would tear himself regrettably away from his first loves, the law, literature and learning, and "work almost full-time" for the Democrats.

It is his goal, he said, to campaign personally this year for "15 to 20 percent of the Democratic candidates for the House and Senate and governor" — a number that translates to close to 100 worthies.

By coincidence, the Democratic rules committee has just agreed to save about 15 percent of the seats at the 1984 convention for elected and party officials, including most governors, senators and representatives. If Mondale is as efficient as he is foreboding, almost everyone for whom he campaigns will be in a position to repay the favor with a vote.

When I asked Mondale why he was making this exceptionally heavy commitment of time in 1982, he said this was going to be "a year of great debate" on the "radical and destructive" program of the Reagan administration, and I want to make the case. People are suffering from these policies, and we cannot wait for 1984 to turn them around."

"Besides," he added, "I learn a great deal from traveling and listening. If we Democrats are going to reshape our thinking, it has to be more than an academic exercise. We have to learn for ourselves what the American people are prepared to do."

And having made it clear that his motive was scholarly — not crassly political — he glanced at his watch and hurried away. Watching him go, the thought occurred that if Edward Kennedy, John Glenn, Reubin Askew, Gary Hart and all the rest want to catch up with Walter Mondale, they really better start hitting the books — especially the book that he is always studying, the Official Airline Guide.

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Allies Fear Different Enemies

By James Reston

PARIS — If you look at the world from Paris instead of from Washington, it remains the same but seems quite different. History and geography change the angle. They produce different newspapers, different impressions on the television screen, different priorities and even ways of discussing the common problems of the economic and military security in the Western alliance.

For example, officials in Europe agree that there is "a clear and present danger" facing the free nations of the West, but they feel it lies primarily not in the military threat of the Soviet Union, but in the economic disarray of the industrial world.

There are now 25 million out of work in the Western European community, and almost nine million unemployed in the United States. This social infection dominates the minds of European officials, who remember that it was economic distress that led to Nazism in Germany, Fascism in Italy and Spain, and militarism in Japan before the last world war.

Officials here read about President Reagan's new budget — \$269 billion or thereabouts for defense, more cuts in social services, a projected deficit of over \$90 billion, with the prospect of higher interest rates and more unemployment to come — and they wonder where all this is leading, in America and in Europe.

They are conscious of the Soviet military threat, but if I heard them right, they regard the Soviet Union, not as a rising but as a declining power in the world, not as a Hitlerian offensive state determined to conquer the world, but as a defensive nation, trying desperately to hold on to its empire in the face of the modern scientific and industrial revolution by borrowing and stealing the new technology of computers and industrial robots.

Criticism

The European officials point to the savage criticism of Moscow by the Italian Communists over Moscow's suppression of the Solidarity movement in Poland, even to the French Communists' rejection of the Soviet economic system as a model for France. They suggest that the Soviet Union — in trouble with China, with Poland and with restless nationalities at home — is not looking for more trouble abroad but for consolidation of its borders.

One hears in Europe another theme that is rejected in Washington, namely, that there is a better chance of reaching an accommodation with the old men in the Kremlin, who remember the human carnage of the two world wars, than they are likely to have with the coming generation of Soviet leaders, who will have fewer memories, more missiles and less control over the Soviet generals.

President Mitterrand of France is eager to talk to President Reagan about these larger philosophical and strategic questions when Mr. Reagan comes to Europe in the summer, and preferably, to talk to him in Washington before then. Mr. Reagan has invited him to do so, and they are now trying to fix a date.

For if I heard him clearly, Mr. Mitterrand is concerned about Mr. Reagan's emphasis on military "solutions" to these world problems.

From Washington's point of view, Mr. Mitterrand has been helpful in opposing Soviet policy in Poland but has added to Washington's problems in the Caribbean and Central America. Paris has been sending arms, to Nicaragua and is trying to work out some kind of reconciliation with Castro in Cuba.

It is this without any serious prior consultation with Washington. Likewise, in the Middle East, Mr. Mitterrand postponed his first trip abroad to Jerusalem, and went instead to Saudi Arabia, but will be going to Israel next month. He seems to want to talk to Mr. Reagan personally before he does so.

These are obviously nothing but personal impressions on the conflicts between the allies. But what is clear is that the allies are now acting on these world problems separately, before they talk seriously to one another about the consequences of their actions.

For example, officials in Paris are concerned about Washington's handling of the China problem. They do not say so publicly, but fear privately that Reagan's policy toward Taiwan may infuriate Peking and encourage a reconciliation between China and the Soviet Union.

So there is much to be discussed between Mr. Reagan and Mr. Mitterrand when they finally get together. For while they agree on the objectives of the alliance, they are still far apart about how to deal with Moscow, the Middle East, Africa, Central America. Not to mention economic problems, interest rates and unemployment, which are still the central questions of European politics today.

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AMC Chief Vexed by Image as Renault's ManBy James Risen
New York Times Service

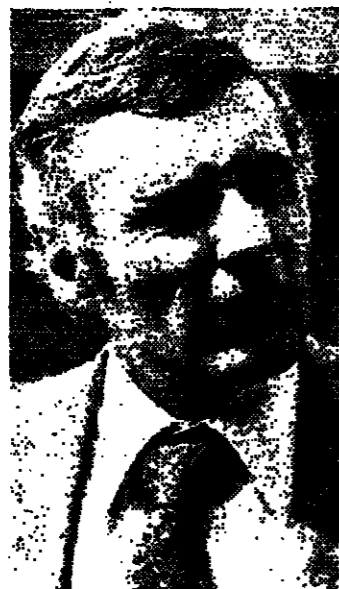
SOUTHFIELD, Mich. — José J. Dedeurwaerder, who was named president of American Motors last month, is trying to overcome two obstacles as he fashions a strategy to help his company out of an industrywide slump.

The first, which the Belgian-born auto executive freely acknowledges, is his lack of experience in marketing American cars. It is a problem, he believes, but one his American colleagues can help him solve.

The second, however, is more vexing: his image as Renault's man at AMC. Widely regarded as mild-mannered, he bristles when asked — yet again — where his loyalties lie, then firmly positions himself in the AMC camp. But whatever he says, the facts are clear: Renault owns 46.4 percent of AMC and Mr. Dedeurwaerder comes from Renault.

Mr. Dedeurwaerder, 49, spent 23 years with Renault, mainly in manufacturing, before being named AMC's executive vice president for manufacturing in September, 1981. His promotion to the presidency last month was interpreted by analysts as a sign that the French government-owned Renault was finally willing to let its partner at AMC, the smallest of America's four car makers.

His Own Man
"There is no question he was placed there by Renault," Arvid Jönköping, an analyst with the Cohn & Woolsey Co. in Detroit, said. Mr. Dedeurwaerder insists, however, that he is his own man. The management for AMC is in Detroit, not in Paris, he said. "I don't have any contract with Renault."



'The management for AMC is in Detroit, not in Paris,' Mr. Dedeurwaerder says. 'I don't have any contract with Renault.'

Mr. Dedeurwaerder is a manufacturing executive trying to learn auto marketing in a country where the French have never been much of an auto marketing force.

But while Mr. Jönköping agrees that marketing is a problem for Mr. Dedeurwaerder, whom he calls AMC's "Mr. Manufacturing," the analyst does not believe AMC will suffer.

"Renault put their own guy to see that the manufacturing of the cars was done right," Mr. Jönköping said, "and decided to let the Americans sell them."

He added, "I would say there is not a major decision made at AMC without Renault's approval." People at AMC expected Mr.

Dedeurwaerder to be "solely Renault's man," he said, but "inside of three weeks, he had won over the AMC people."

"The uniform opinion is that this guy is very good for the company," said one AMC executive, who asked that his name not be used.

Mr. Dedeurwaerder's background made him a logical choice to represent Renault at AMC. From 1976 until last year when he moved to AMC, he was director of stamping and assembly at Renault's modern assembly plant in Douai, France.

He was responsible for the French introduction last fall of Renault's R-9 compact, which will be

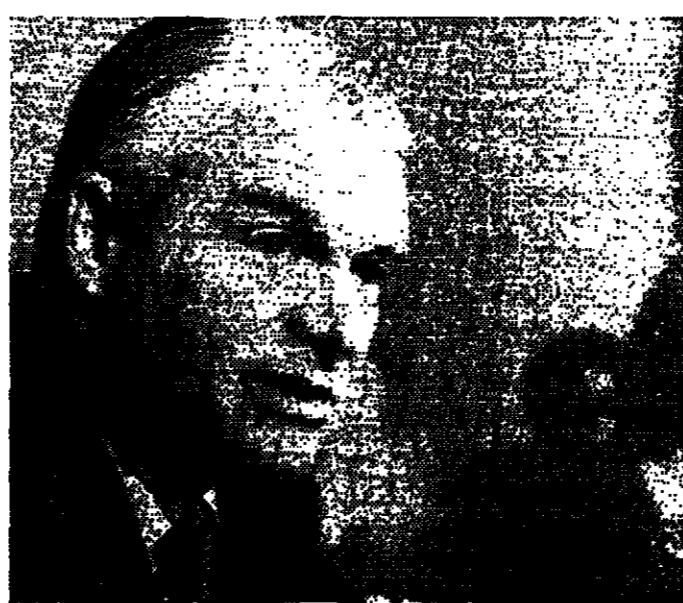
built this year in AMC's Wisconsin assembly plant for introduction in September under the name of Alliance. AMC is now completely retooling that plant for R-9 production and plans to pattern its manufacturing procedures after those used by Renault in Douai.

Despite his heavy manufacturing background, Mr. Dedeurwaerder said he was not at AMC simply to oversee the American introduction of the R-9. He also stressed that American Motors "is not going to become a manufacturing arm of Renault."

But clearly the ties between AMC and Renault are getting stronger. Since October, 1979, Renault has provided AMC with \$350 million, which has enabled AMC to continue a \$1 billion, five-year product development program that includes a new small sized four-wheel-drive Jeep to be introduced early in 1983. And AMC, which lost \$197.5 million in 1980 and is expected to post a loss of more than \$100 million for 1981, plans to distribute its four-wheel-drive Jeeps in France through Renault's dealer network.

AMC, which had been unable to keep pace with larger competitors that had invested heavily in new technology, needed the Renault infusion. But Renault benefits as well. It wanted to market its cars in the United States without having to invest in its own dealer network and was able to take advantage of the AMC marketing base and dealer network.

Mr. Dedeurwaerder said that he wants the company to concentrate on its specialty, the four-wheel-drive market, which had suffered during the 1979 energy crisis, when consumers steered away from big cars.



Emile van Lennep has indicated he is willing to stay on as head of the OECD if member nations cannot agree on his successor.

Woman in Contention For Top OECD PostBy Axel Krause
International Herald Tribune

PARIS — A woman is among the three leading candidates to be the next secretary-general of the Organization for Economic Cooperation and Development — one of the West's most important economic policymaking agencies.

After several months of behind-the-scenes consultations, the list of candidates has been narrowed to three West Europeans, including Helga Steeg, a senior West German trade official.

"It is a cliffhanger, which we are trying to resolve quietly among ourselves," explained an OECD ambassador. He said the final choice, which requires unanimous approval by the 24 member nations, may be made this week.

"It is like a jury deliberating on a verdict — out of the public eye and quite unlike the noisier, highly visible voting procedure for electing the UN secretary-general," said another OECD ambassador.

Senior diplomats and officials from the OECD area said that intense discussions are still going on over the candidates' differing academic credentials, professional experience and how they might fare in running the 24-nation agency, encompassing North America, Europe and Japan.

In the event of a deadlock — a possibility no one is excluding — there is a strong likelihood that Emile van Lennep, who has been

secretary-general since 1969, will be asked to stay on.

Mr. van Lennep, a Dutchman, who had originally agreed to relinquish the post April 1, has indicated that he is by no means seeking an extension and that he has been offered several jobs already.

Here are the backgrounds of the three front-runners:

- Miss Steeg, assistant secretary for foreign economic relations in Germany's Economics Ministry and a key aide to Minister Otto G. Lambsdorff. Miss Steeg, 54, was trained in law, but has spent virtually her entire career in the ministry, specializing in trade, development and international monetary issues. She is regarded as a skillful negotiator.

- Miss Steeg has the formal backing of both the German government and of the Reagan administration.

- Italy's Filippo Maria Pandolfi, a former treasury and finance minister who has been a Christian Democratic member of parliament for nearly 14 years. Mr. Pandolfi, 54, a classic scholar with a doctorate in philosophy, is an expert in economic and financial affairs. Until recently, he had been promoting a recovery program in Italy which emphasized public spending in sectors where unemployment

(Continued on Page 9, Col. 6)

Iran Sets Oil Price Below OPEC Mark

The Associated Press

NICOSIA, Cyprus — Iran has reduced its official oil price by \$1 a barrel, putting it below OPEC's benchmark price for Saudi Arabian crude, the Middle East Economic Survey reported Sunday.

The authoritative weekly oil newsletter said the National Iranian Oil Co. notified customers Friday of the price cut, which is designed to boost sales. The new Iranian prices, on the basis of 30 days' credit, are \$33.20 a barrel for Iranian light and \$31.20 a barrel for Iranian heavy.

MEES also reported that British National Oil Corp. has been under heavy pressure to reduce prices in view of the collapse of the spot market, and that agreement had been reached on a reduction of \$1.50 a barrel of BNO's Forth crude, bringing it to \$35 a barrel, effective Monday.

MEES predicted that pressure on other OPEC countries, particularly African producers with official prices ranging from the \$36.5 to \$37 a barrel range, to follow Iran and BNO "will be considerable."

The new price for Iranian light, which had carried a 20-cent premium over Saudi crude because of quality and proximity to markets, is now 80 cents a barrel less than the \$34 a barrel benchmark. Unofficial estimates put Iran's current production at nearly 1 million barrels a day. No export figures were available.

MEES said the breach of the official price structure, both inside and outside OPEC, was fraught with "weighty consequences." It is "far from clear" when the continuing declines in the spot, or noncontract, price of oil will end.

It said that the Iranian and British North Sea official price reductions fell short of matching the spot price decline.

"In an appallingly soft market of today, and when nearly sellers like Iran are desperate to regain export volume, probably only OPEC and/or Saudi Arabia can stop the rot," MEES said. "But the climate within OPEC is not exactly conducive to concerted action on prices and production at the moment, while Saudi Arabia is content to let market forces do the job of distributing production cuts."

Oil industry sources in Bahrain said last Thursday that Saudi crude production is expected to remain near the ceiling of 8.5 million barrels a day regardless of any

short-term fluctuations. The sources were commenting on published reports that Saudi crude production had fallen to slightly less than 8 million barrels a day last month.

OPEC President Mansour bin Jaber al-Otaibi, who is also the oil minister of the United Arab Emirates, said in London Friday that he was considering calling OPEC members together to review price and production. He said OPEC nations may be forced to make adjustments in their prices and output but that the \$34 benchmark would not change.

Soviets Seen Continuing Gold SalesBy Charles D. Sherman
International Herald Tribune

ROME — Soviet gold sales, which in recent weeks have become a major influence in depressing world prices, are likely to continue at a high level, according to traders and analysts attending a conference on gold that ended here Sunday.

"In talking to the Russians, my feeling is we'll see a lot more selling," said a representative of a major international commodity trading house that deals directly with Soviet traders.

Experts on Soviet gold trade stressed the difficulty of estimating the size of recent sales because of the Soviet demand for secrecy of transactions. However, they said that the trend is clear.

"It is safe to assume that the Soviet Union has at least doubled its gold sales in 1981 compared with the preceding year," Guido Hansmann, executive vice president of the Union Bank of Switzerland, said.

Soviet hard currency needs have grown sharply in the past two months, conference participants said. Large-scale grain imports and aid for Poland have drained reserves, while Russia's income from energy exports has been cut by weakening world oil prices.

An analysis presented by Peter D. Fells, director of research for Consolidated Gold Fields, estimated that 50 percent of Soviet hard currency is generated by oil exports. In the first half of last year it

(Continued on Page 9, Col. 5)

Tax Status of Zero Bonds Is in DoubtBy William Ellington
AP-Dow Jones

LONDON — One of the reasons zero-coupon Eurobonds are popular is that the tax treatment for the investor is supposed to be favorable.

These bonds are sold at large discounts from par value. As no interest is paid, it has been assumed in some quarters that the difference between the purchase price and the higher redemption price will be treated as a capital gain, subject to favorable tax treatment or no taxes at all.

"The widely held theory that zero coupon bonds are bought principally to reduce individual tax liabilities is probably very accurate," says Ian Kerr, who heads Kidder Peabody International's Eurobond advisory service.

In a report on zero-coupon bonds, Phillips & Drew, the London brokerage firm, noted that these issues are likely to be "attractive to investors who pay a higher rate of tax on income than on capital gains and who are not taxed on notional interest payments on the zero coupon bond."

However, a survey of bankers, brokers, tax specialists and government officials in Europe and Japan is far from reassuring about whether zero-coupon issues really do offer significant tax advantages. No formal rulings in various jurisdictions have been made so far. Yet, it appears that when rulings are made, the outcome may be less than pleasing to investors.

In Belgium, a Finance Ministry official said that his country does not tax capital gains or allow deductions for capital losses. However, he said that the difference between the purchase price of a zero-coupon bond and the redemption price would be considered as an "emission premium" subject to Belgium's 20 percent withholding tax known as the "premiere mobilite." The tax would be payable on purchase of the security, he said.

While the Finance Ministry in West Germany has not ruled on requests of bankers for clarification of the tax status of zero-coupon bonds, some bankers are doubtful that the outcome will be favorable. "We are assuming these bonds will be taxed and won't be treated like non-taxable capital gains," an economist at a large West German bank said.

He noted that non-interest bearing federal notes and savings certificates sold by banks are subject to income tax. He contended that there is no reason for zero-coupon Eurobonds to be treated differently.

Bankers in Switzerland say that local tax authorities have advised them that a ruling will not be made on zero-coupon issues until one matures. This leaves Swiss investors with prolonged uncertainty, as the shortest issue floated so far this year is three years.

While capital gains are not taxed in Holland, the Finance Ministry has advised banks that zero-coupon bond issues will be taxed when the issues are sold or when they are redeemed. Dutch bankers say, however, that the legislative authority for this may not exist.

In France, several bankers said they assume that zero-coupon issues will be taxed though no concrete proposals have emerged from the authorities.

In Britain, a spokeswoman for the Inland Revenue Service said that the tax treatment of zero-coupon bond issues is under study and it would be some time before a decision is made.

In Japan, where the bulk of the zero-coupon bonds have been sold, the Finance Ministry is studying the implications of large Japanese purchases of these instruments. The ministry has asked brokers to refrain from making claims that the bonds are tax free. Nevertheless, Japan does not have a capital gains tax and there is no move toward imposing one, bankers said.

Uncertainty On U.S. Data Slows MarketBy Carl Gewirtz
International Herald Tribune

PARIS — Activity in the dollar bond markets came to a near halt last week as professionals waited warily for the U.S. Treasury's sale Thursday of \$10 billion in new securities and Friday's data on the U.S. money supply.

This week, markets will have to contend with Monday's announcement of the fiscal 1983 U.S. budget, which will produce a deficit of

EUROBONDS

either \$91.5 billion or a shattering \$157 billion, depending on whether you believe President Reagan or the Congressional Budget Office.

Superficially, the Treasury sale went well enough. But by Friday the investment banks that bought the paper were still holding most of it. If retail demand does not pick up this week, professionals fear there will be havoc on Wall Street as banks start dropping prices to get rid of the paper.

Most attention was focused on the Federal Reserve's money supply report. A decline, it was reasoned, would fuel expectations that the Fed could ease its grip on credit conditions and let interest rates slip a bit.

The Fed did report a decline of \$1.4 billion — the lower end of forecasts which called for a drop of as much as \$6 billion. But that was after a number of revisions on the basic data. Calculated on the previous basis, the money supply would have registered a drop of \$3.2 billion, the Fed stated.

However, this did not trigger any hoopla in late New York bond trading. Dealers gloomily noted that the aggregate was still \$6.6 billion above target, a factor which they expect will continue to weigh on the Fed's willingness to supply credit.

The Fed also reported that the December meeting of its policymaking Open Market Committee lowered the M-1 growth target to 4-to-5 percent for the November-December period.

(Continued on Page 9, Col. 1)

CURRENCY RATES

Interbank exchange rates for Feb. 5, 1982, excluding bank service charges.

	\$	£	D.M.	F.P.	It.L.	G.W.	S.P.	S.R.	D.R.
Amsterdam (d)	2.54	4.33	10.45	4.19	6.24	15.54	4.22	12.22	33.35
Brussels (d)	20.59	74.55	178.25	67.08	1.18	9.17	5.88	21.33	52.01
Frankfurt	2.34	4.37	10.45	4.19	6.24	15.54	4.22	12.22	33.35
London (d)	1.295	—	—	—	—	—	—	—	—
Madrid	1.295	—	—	—	—	—	—	—	—
New York	1.295	—	—	—	—	—	—	—	—
Paris	1.295	—	—	—	—	—	—	—	—
Zurich	1.295	—	—	—	—	—	—	—	—
ECU	1.295	—	—	—	—	—	—	—	—

Dollar Values

	\$	£	D.M.	F.P.	It.L.	G.W.	S.P.	S.R.	D.R.
Australia	1.072	—	—	—	—	—	—	—	—
Belgium	0.894	—	—	—	—	—	—	—	—
Canada	0.828	—	—	—	—	—	—	—	—
Denmark	0.1384	—	—	—	—	—	—	—	—
France	0.2226	—	—	—	—	—	—	—	—
Germany	0.0171	—	—	—	—	—	—	—	—
Italy	0.0171	—	—	—	—	—	—	—	—
Japan	1.55	—	—	—	—	—	—	—	—
Netherlands	0.0171	—	—	—	—	—	—	—	—
Portugal	0.0171	—	—	—	—	—	—	—	—
Spain	0.0171	—	—	—	—	—	—	—	—
Sweden	0.0171	—	—	—	—	—	—	—	—
Switzerland	0.0171	—	—	—	—	—	—	—	—
U.K.	0.0171	—	—	—	—	—	—	—	—
U.S.	1.00	—	—	—	—	—	—	—	—

(*) Sterling 1.295 Irish £.
(a) Commercial franc. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

Road to Higher Margins Is RuggedBy Carl Gewirtz
International Herald Tribune

PARIS — The road to higher margins, which bankers insist they are on, is obviously riddled with roundabouts and detours.

South Korea is the latest example of a borrower establishing a new low in the market with its Export-Import Bank paying a half-point over the London interbank rate for eight-year money compared with the split 1/2-1/2 point over Libor that the Korean Development Bank paid last year.

While a number of bankers adamantly reject the conditions on the new \$300-million loan as unwarranted, low, the competition for the business was stiff with four separate syndicates reportedly bidding for the Ex-Im mandate.

Further evidence of easing conditions is offered by Norsk Hydro's drive to renegotiate lower margins on two outstanding loans, and a longer maturity on one of them. Terms on its \$200-million loan bearing interest at half a point over Libor through the end of next year and 1/2 point over Libor through the end of 1987 are now being renegotiated to 1/2 point over Libor through the end of 1986 and half a point from then until the end of 1989.

In addition, amortization which was to have started next June would be put off until 1987.

Some Grumbling

Lower terms are also being sought on a \$100-million loan in the name of Norsk Produktion and guaranteed by Norsk Hydro. The borrower now wants to pay 1/2 point over Libor through 1986 and half a point from then until final maturity in 1990. This compares with the current terms of 1/2 point over Libor through 1986 and 1/2 through 1990.

Despite the grumbling from some syndicate members, bankers admit that they are unlikely to walk away from the loan lest they lose an important client like Norsk Hydro.

Pakistan, a relatively rare borrower, is seeking to go beyond the 12-to-16 month operations it has been confined to by telling banks

it wants to borrow \$350 million with an unspecified part of the amount running for three years. In 1980, Pakistan was paying 1 1/2 point over Libor for one-year money and by last year terms had improved to 1/2 point over Libor for

SYNDICATED LOANS

14-month funds. The government reportedly is now offering to pay 1 point over Libor to borrow for three years.

Greece is beginning to sound out the market for terms on a loan of \$300-to-\$500 million. The Greeks insist they are ready to be realistic — which means they admit there is no way they can match the low 1/2-1/2 point split margin they paid last year. Bankers report that Greece will be lucky to find 10-year offers. Many bankers insist that they will not participate in any loan of more than eight years.

From the talk in the market, anything less than 1/2 point over Libor will be difficult to place. Portugal's Banco do Fomento is now proceeding with its \$120-million loan after being stuck in no-man's land when the Japanese Ministry of Finance refused to allow the Industrial Bank of Japan to underwrite half the loan because of the very low margin of 1/2 point over Libor for two years and 1/2 point for the final six years.

Lead manager Manufacturers Hanover Trust appeared stuck with the deal until the Japanese re-entitled and allowed Long Term Credit Bank and Bank of Tokyo to join BHI in underwriting 50 percent of the deal.

Italy's export credit agency SECE is raising \$80 million to finance the Soviet Union's purchase of pipes (not related to the controversial Siberian gas pipeline). The Russians are paying a flat 8 percent to borrow the money and SECE will pick up the rest of the bill which will be calculated at 1/2 point over Libor for the first four years and 1/2 point over Libor for the final two years.

In the Arab world, Morocco's

oil refining and distribution company Samir is looking to borrow \$200 million with most of this short term and only some \$50 million scheduled to be a medium-term transaction.

Arab banks are also putting together a "club" loan of 90 million Deutsche marks for Syria's central bank.

In Latin America, a syndicate of Mideast banks is still negotiating with Venezuela over terms for a proposed \$1-billion loan which would run for "less than five years," one potential manager reported.

In Brazil, Sao Paulo is raising

(Continued on Page 9, Col. 2)



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HIGHEST YIELDS												
to Average Life Below 5 Years												
1st Atlantic Life Co., Inc.	9/14	Feb	22	42.97	75.66	9.23	10/1	Feb	22	42.97	75.66	9.23
2nd Atlantic Life Co., Inc.	9/14	Feb	22	42.97	65.55	9.23	10/1	Feb	22	42.97	65.55	9.23
3rd Atlantic Life Co., Inc.	9/14	Feb	22	42.97	34.53	9.23	10/1	Feb	22	42.97	34.53	9.23
4th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	18.14	9.23	10/1	Feb	22	42.97	18.14	9.23
5th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	12.42	9.23	10/1	Feb	22	42.97	12.42	9.23
6th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	10.34	9.23	10/1	Feb	22	42.97	10.34	9.23
7th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	9.23	9.23	10/1	Feb	22	42.97	9.23	9.23
8th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	8.14	9.23	10/1	Feb	22	42.97	8.14	9.23
9th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	7.06	9.23	10/1	Feb	22	42.97	7.06	9.23
10th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	6.06	9.23	10/1	Feb	22	42.97	6.06	9.23
11th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	5.06	9.23	10/1	Feb	22	42.97	5.06	9.23
12th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	4.06	9.23	10/1	Feb	22	42.97	4.06	9.23
13th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	3.06	9.23	10/1	Feb	22	42.97	3.06	9.23
14th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	2.06	9.23	10/1	Feb	22	42.97	2.06	9.23
15th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	1.06	9.23	10/1	Feb	22	42.97	1.06	9.23
16th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
17th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
18th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
19th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
20th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
21st Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
22nd Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
23rd Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
24th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
25th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
26th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
27th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
28th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
29th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
30th Atlantic Life Co., Inc.	9/14	Feb	22	42.97	0.06	9.23	10/1	Feb	22	42.97	0.06	9.23
31st Atlantic Life Co., Inc.	9/14	Feb	22									

HIGHEST YIELDS									
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\$15	Ward Foods Overman	3/24	8% Rev	2/12	2/21	3/24	3/23		
\$30	Westcoast	3/24	7% Rev	1/12	1/12	3/24	3/23		
\$45	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$60	Century Screens	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$75	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$90	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$105	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$120	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$135	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$150	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$165	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$180	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$195	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$210	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$225	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$240	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$255	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$270	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$285	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$300	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$315	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$330	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$345	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$360	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$375	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$390	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$405	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$420	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$435	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$450	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$465	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$480	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$495	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$510	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$525	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$540	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$555	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$570	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$585	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$600	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$615	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$630	Ward Foods Overman	3/24	7% Rev	6/12	6/12	3/24	3/23		
\$645									

HIGHEST CURRENT YIELDS									
1115	Intl Harvester	12/24	18	Aug	46	26.0	17.62		
1120	Monsanto-Peterson	11/22	17	Jan	31	25.0	17.50		
1125	General Electric	11/22	17	Jan	31	25.0	17.50		
1130	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1135	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1140	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1145	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1150	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1155	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1160	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1165	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1170	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1175	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1180	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1185	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1190	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1195	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1200	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1205	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1210	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1215	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1220	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1225	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1230	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1235	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1240	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1245	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1250	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1255	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1260	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1265	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1270	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1275	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1280	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1285	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1290	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1295	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1300	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1305	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1310	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1315	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1320	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1325	Continental Overseas Pln	11/22	17	Jan	31	25.0	17.50		
1330	Continental Overseas Pln								

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Stenmark Wins Slalom Title to Get His Revenge

By Nick Stout
New York Times Service

SCHLADMING, Austria — Ingemar Stenmark, stung by his loss of the giant slalom title to Steve Mahre last week, skied flawlessly Sunday to hold on to the world slalom championship that he first won in 1978 and then recaptured in the 1980 Olympics.

Bojan Kizaj, responding to the large Yugoslav cheering section, won the silver medal and Bengt Fjällberg, Stenmark's Swedish teammate, took the bronze. It was the final event of the 1982 World Alpine Skiing Championships.

Both Phil and Steve Mahre went off the course, Steve in the first leg of the two-run event and Phil in the second. It means that Phil, who clinched the World Cup title just

before these championships, was unable to complete a race here.

"I feel sorry for Phil," Stenmark told the reporters who besieged him at the finish. "He should have had a medal here because he has been skiing so well."

Settles the Race
Stenmark drew the first start position and immediately set a pace that no one could match. Kizaj was closest in the first run, within 31 hundredths of a second. Phil Mahre went into the afternoon in fifth place, 68 hundredths of a second back.

Steve Mahre, who considers himself best in slalom even though he won a gold medal here in giant slalom, finished his run after missing the gate so that he could quickly

advise Phil by walkie-talkie on the conditions of the course.

"I just went in [toward the pole] a little too early and hooked a tip," Steve Mahre explained. "It happens. You can't make it all the time. I just wanted to hike back up and finish so that I could help out Phil down here. At the bottom it's more technical and a little steeper."

Phil Mahre did not finish his second run. Instead, he and Steve, who did not bother to enter the afternoon heat, quickly disappeared from the racing area.

For most of the championships the disappointing act was Stenmark's. As he is the most successful slalom and giant slalom racer in Alpine racing history, the attention on him here was overwhelming.

To those who watched his first descent on Sunday, there was little doubt about his intentions.

"Oh, he's skiing well," observed Bill Marolt, the American program director. "He's really pushing it."

Stenmark pushed his final victory margin to 42 hundredths of a second over Kizaj, an accomplished slalomist and the best in Yugoslavia, the host country next time around in the 1984 Olympics.

Fjällberg was 84 hundredths of a second back and, like Stenmark, may have benefited from the fact that a Swedish coach set the second run. Presumably, it was similar to the courses used by the Swedes in training.

Stenmark had been working hard at mastering the relatively new "rapid gates," the plastic poles with snow-level hinges. The poles collapse flat against the snow when hit by a skier.

With the Mahres falling out on Sunday, the American team finished with five medals, a feat matched only by the Swiss. Austria and Sweden finished with three, followed by France, Canada and Yugoslavia with two each, and Liechtenstein and Italy with one each.

Men's Slalom
1. Ingemar Stenmark, Sweden, 1:46.48
2. Bojan Kizaj, Yugoslavia, 1:46.90
3. Bengt Fjällberg, Sweden, 1:47.32
4. Paolo de Ceresa, Italy, 1:49.37
5. Jean Guay, Switzerland, 1:49.51
6. Pierre Gros, Italy, 1:50.48
7. Peter Muller, Italy, 1:51.48
8. Fritz Griebler, Austria, 1:51.18
9. Paul Arne Skjolden, Norway, 1:51.79
10. Vladimir Andreev, Soviet Union, 1:52.60
11. Jorle Holmen, Norway, 1:53.02
12. Toshihiro Kato, Japan, 1:53.39
13. Alexander Zhurav, Soviet Union, 1:54.48
14. Tamas Charvatko, Yugoslavia, 1:54.71
15. Florian Beck, West Germany, 1:55.01

Men's Downhill
1. Nori Weirather, Austria, 1:55.10
2. Conrad Cathomen, Switzerland, 1:55.58
3. Erwin Resch, Austria, 1:55.72
4. Franz Klammer, Switzerland, 1:55.88
5. Peter Mueller, Switzerland, 1:56.05
6. Vladimir Andreev, Soviet Union, 1:56.18
7. Franz Klammer, Austria, 1:56.18
8. Toni Sailer, Switzerland, 1:56.21
9. Steve Podborski, Canada, 1:56.78
10. Michael Mahr, Italy, 1:56.82
11. Dave Murray, Canada, 1:56.84
12. Peter Winkler, Austria, 1:57.14
13. Todd Brundage, Canada, 1:57.14
14. Sam Reed, Canada, 1:57.18
15. Leonard Stock, Austria, 1:57.25

Medal Standings
Gold Silver Bronze Total
Switzerland 2 2 0 4
United States 1 2 0 3
Austria 1 1 1 3
Sweden 1 1 1 3
Canada 1 0 1 2
France 1 0 1 2
Yugoslavia 1 0 1 2
Liechtenstein 0 1 1 2
Italy 0 0 1 1

Austrians Finally Find a Hero in Weirather

New York Times Service

SCHLADMING, Austria — Austrians were clearly desperate for a hero, somebody to stifle all the North American gloating at the World Alpine Skiing Championships. On Saturday, Nori Weirather came through for them by winning a gold medal in the men's downhill, the biggest event of the championships.

Conrad Cathomen, an aspiring 22-year-old Swiss skier, took the silver medal, and Erwin Resch, another Austrian, claimed the bronze.

Weirather, 24, a farmer's son from the town of Reutte, near the German border, was cheered wildly by most of the 55,000 spectators — a record crowd for an Alpine ski race — who were massed along the track as far as one could see from the finish. He is the fifth consecutive Austrian to hold the world downhill title.

Cathomen, whose best result coming into the championships

was sixth place in a World Cup race, had been in a three-way fight for the fourth spot on the Swiss downhill team. He earned the opportunity to race Saturday by placing second in the downhill half of the men's combined on Friday.

Short Legs
After claiming the championship, Weirather remembered that it was Cathomen who was runner-up to him in 1977 when he scored his first major victory in the Europa Cup, the minor league of ski racing.

Here watching the race was Bernhard Russi, the retired Swiss racer and the last non-Austrian world downhill champion. Talking about Weirather, Russi said: "His advantage is that his legs are not long. Instead he has a long upper body. With the short legs he doesn't need to be in the tuck position to stay low."

Even though he was the top World Cup downhill last winter,

Weirather was largely overlooked here because the best training times had been consistently posted by two of his teammates, Resch and Franz Klammer. Klammer, the 1976 Olympic champion, was the sentimental favorite, but he virtually ruined his chances when he injured himself in training Friday.

Klammer, who severely bruised a rib and hurt his left leg and right knee, finished in seventh place. He acknowledged that the race was too much for him, that he had felt the pain.

The Times to Beat
As the first two races out of the gate, Cathomen and Resch quickly established the times to beat. Weirather was wearing No. 11, and when he posted the fastest intermediate time the crowd began vocally to anticipate his victory. He beat Cathomen by nearly half a second, covering the 3,401-meter course in 1 minute, 55.10 seconds.

Welsh Extend Streak By Defeating French

By Bob Donahue

CARDIFF, Wales — Wales came from behind three times Saturday to beat France, 22-12, and preserve an undefeated streak at home in the Five Nations rugby championship that now numbers 27 games since 1968.

A promise of French brilliance was briefly fulfilled when the new Basque backfield scored a point a minute in the first nine minutes. But it was a point a minute for Wales in the last 10 minutes that made the victory margin.

In between, a lopsided performance by the two packs of forwards made the difference. The argument afterward was whether the Welsh pack had played superbly or the French miserably. Slightly attenuated, both verdicts can stand.

Wales won possession at 30 lineouts, France at only eight. Alain Llorien, the 6-foot-6 lock who was France's only hope in the middle, failed almost always. Steve Sutton — like Llorien a latecomer to rugby, having taken up the game four years ago after leaving school — won possession 14 times.

A Lineout Rout
Sutton's advantages over Llorien included being 30 pounds lighter, having considerably more craft, being one of two big Welsh jumpers (with Richard Morarty, who won five lineouts), and having the synchronized throwing-in of Welsh hooker Alan Phillips.

It added up to a lineout rout that made the worst French fears seem true. The absence because of injury of No. 8 Jean-Luc Joliet crippled the team — and errors by forwards destroyed what was left of it. Penalties for offense or foul play against loosehead prop Micki Crenshaw and lock Daniel Reavell cost France 12 points in penalties.

Welsh fullback Gwyn Evans was able to take nine penalty kicks. He succeeded with six, a rare total last

achieved at this level by both Hugo Porta of Argentina and Jean-Michel Aupiais of France in an 18-18 draw in Buenos Aires five years ago.

Post-match commentary had it that the first scrum came only after 25 minutes. It came in the ninth minute. More strange was the fact that Irish referee David Burnett seldom gave France the put-in at the scrums — by one count, only once in the second half.

That first scrum was symptomatic: it was Welsh, Wales won it and tried to run the ball. French tackling smothered the attack. France was penalized, and Gareth Davies, the outstanding Welsh flyhalf and captain, more than recouped the lost territory with a kick to touch.

Admirable Debut
Of the seven Frenchmen who were appearing in their first championship match, four were backs and all four played well.

Fullback Marc Salferranque, 21, kicked a penalty from 22 meters in the third minute. After Evans quickly evened the score with the first of his penalties, flyhalf Jean-Patrick Lescaudrou, 20, switched the direction of a leftward French attack with a powerful pass back to the right.

Two young veterans completed the try — center Christian Belsacain making the break and wing Serge Blanco crossing in the right corner and returning to touch. Davies, the outstanding Welsh flyhalf and captain, more than recouped the lost territory with a kick to touch.

The second Evans penalty had made it 9-6 at halftime. The third and fourth tied the score before



Ireland scrumhalf Robbie McGrath hits the ground as he clears the ball from a scrum with England's John Carleton, left, and captain Steve Smith in pursuit. Ireland won the match, 16-15.

and after Martinez gave France the lead for the third and last time.

With its girth of possession, the marvel was that Wales failed to put the game on ice until half an hour into the second half. Evans and scrumhalf Terry Holmes had been dangerous on occasion. Now Holmes got a try in the corner after a slick approach work by center Ray Gravell and right wing Robert Ackermann.

Welsh officials were too delighted with their forwards' return to form, after a 20-12 defeat by Ireland in Dublin two weeks before, to entertain questions about the team's capacity to score tries against England at Twickenham on March 6.

The next test of Welsh invincibility at home will come from Scotland on March 20. Evans missed the conversion of

Holmes' try but added two late penalties. His kicking and some mammoth clearance punts by Lescaudrou will doubtless be remembered longer than the brief visions of attacking rugby at the start and end.

Ireland Defeats England
From Agency Dispatches

LONDON — England, playing at home but without sidelined captain Bill Beaumont, lost Saturday to increasingly confident Ireland, 16-15. It was Ireland's first victory away in the Five Nations championship since 1976.

After starting the championship with a defeat of Wales in Dublin, the Irish now lead with two victories, ahead of Wales with a victory and a loss, Scotland with a draw and a loss, England with a draw and a loss,

U.S. Role in Olympic Body Appears at a Low

By Neil Amdur

LOS ANGELES — The United States will stage the 1984 Summer Olympics in Los Angeles, yet American influence within the International Olympic Committee is at an all-time low.

The shift in the political power base from English-speaking countries to the Spanish-speaking and East European bloc is only one of the recent trends.

No Americans currently serve on the IOC's nine-member executive board, which establishes and approves policy for the 89-member body. There are few Americans in any prominent positions on IOC commissions, and only one American, Don Hula (boxing), heads any of the 21 international sports federations in the Summer Games.

Role Change
Having individuals in policy-making positions is especially important to a country in amateur sports, since site selections, major rule changes and evaluating technical personnel can affect the outcome of a particular event.

At the 1980 Moscow Olympics, for example, the entry list for swimming in Los Angeles was dropped from a maximum of three athletes per country to two. American swimmers were not even considered.

can swimming officials had successfully maintained the three-per-country limit in previous congresses. But with the United States absent at Moscow, the rule was changed, which could significantly lower America's medal output in swimming in 1984.

Conversations with IOC leaders and officials of the various sports federations who attended meetings here last week point to a variety of factors for the American decline. These range from the boycott of the 1980 Olympics, which kept many American officials from attending sports congresses held in conjunction with the games, to concerted attempts by other countries to end what they perceive to have been an English-speaking dominance of the IOC.

"I rang the bell many, many times but to no avail," said Director Barlow, the IOC director. "You can make a parallel with the French influence. It's finished, too."

Officials point to the long reign of Avery Brundage of the United States as IOC president (1925-1972) and his successor, Lord Killanin of Ireland (1972-1980). The growth in popularity of the Olympics during these periods, with the vast international exposure provided by television, made more countries conscious of the potential benefits to be derived through political channels.

The Soviet Union, for example, currently has one member on the executive board, Vitali Smirnov, the first vice president. There also is a strong Soviet link to the presi-

dency, since Juan Antonio Samaranch served as Spain's ambassador to Moscow before succeeding Lord Killanin. On the sports federation level, Yuri Titor is president of the International Gymnastics Federation, and there are other Soviet officials in important secondary posts.

Source of Concern
The Soviet muscle and absence of current American clout is a source of concern to leaders of the U.S. Olympic Committee.

"We are trying everything available to increase our representation," said F. Don Miller, the executive director of the U.S. Olympic Committee, "not only with the international federations but with the Pan American Sports Organization and the IOC and their commissions."

In some cases, the changes within the IOC have been dramatic for an organization that only recently admitted its first two women members. Besides Samaranch, another important Spanish-speaking voice to emerge in the last few years is that of Mario Vazquez Rana of Mexico, a wealthy industrialist, who serves as president of the national Olympic committee.

Samaranch differs from the high-profile stance of his predecessors, however, seldom giving news conferences and preferring private diplomacy to public pressure for exerting change within the body.

"You Americans are so far behind in sports politics," said Bela Karolyi, the noted Romanian gymnastics coach, who defected to the United States last April.

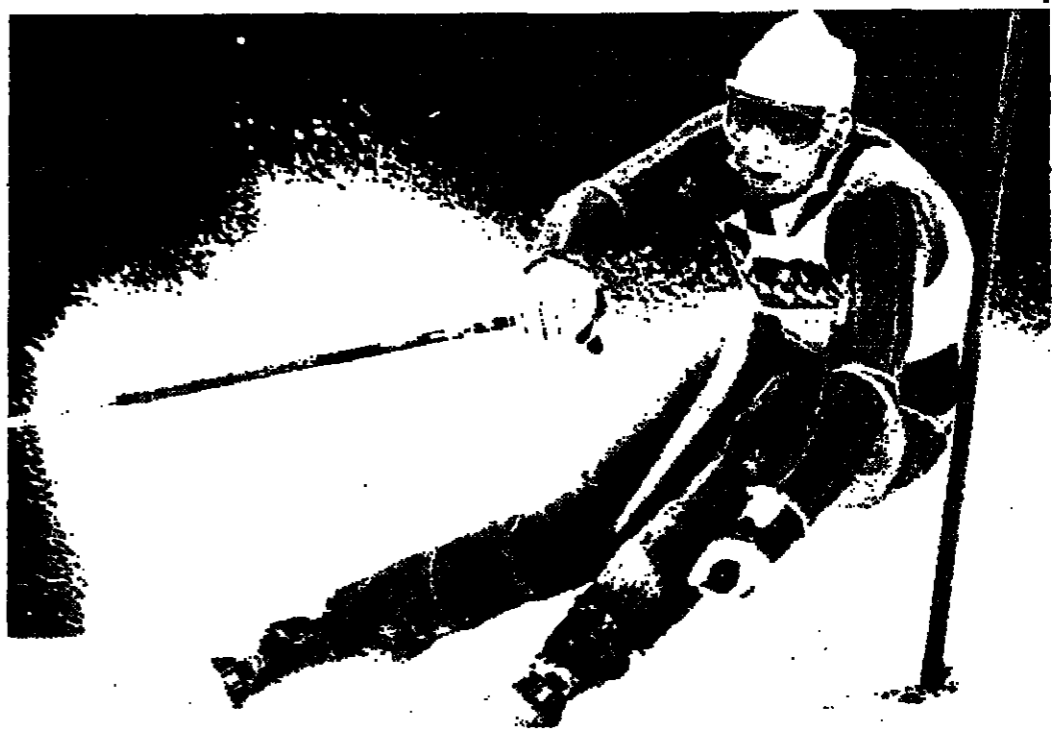
East European nations spend as much time in the political arena as the sports arena, Karolyi said. This includes not only seeking positions as federation officers but also encouraging judges, referees and technical committee heads to reach Olympic and world-championship stature.

"The Americans go to world championships or congresses and, quick, want to go home," Karolyi said during a recent interview in Houston. "The officials from the Eastern countries go to all the parties, mix together, make friends. So when it is time to vote, they know where they can find help."

"The Americans have some people moving back into the picture, one federation leader said. "But after what happened in Moscow, it is going to take some time for the U.S. to have the same influence they had before the boycott."

European TV Pact Broken
PASADENA, Calif. (AP) — Los Angeles has pulled out of a \$19.8-million agreement with the European Broadcasting Union for televising the 1984 Olympic Games.

The Los Angeles Olympic Organizing Committee made the decision Friday after the Europeans failed to make a payment of \$12 million by last Monday, as stipulated in an agreement signed between the two parties three months ago.



Ingemar Stenmark on his way to the world slalom championship Sunday.

Al Attles Quietly Joins NBA's Elite

Golden State's Coach Passes a Victory Milestone

By Roy S. Johnson

OAKLAND, Calif. — Almost everything was in its proper place on the court in the Oakland Coliseum one recent morning. The Golden State Warriors were preparing for a game that evening. So John Bach, the assistant coach, meticulously maneuvered the tall, lean bodies through a series of plays.

In contrast, a short, stocky man played the role of the opposing team's point guard. Dressed in long blue pants and a short-sleeved shirt, the bearded man did not seem to fit the scene. Yet he adeptly proceeded through the drills, with hardly a word. Later, he casually left the floor.

A spectator sitting behind a basket net caught the man's attention. "Hey, Al," he said, smiling. "You'd better watch out. Remember what happened the last time you thought you could play."

That was during the 1979-80 season, when the man, Alvin Attles, the longtime Warrior coach, suffered a torn Achilles' tendon. There have been many victories and losses since.

In a sense, it is not easy to figure how Attles, who is 45, ended up as one of only six coaches in National Basketball Association history with 500 victories. He earned No. 500 on Jan. 1 when the Warriors beat Dallas. The others with 500 or more are Red Auerbach of the Boston Celtics, now retired as coach; Red Holzman of New York; Jack Ramsay of Portland; Gene Shue of Washington and Dick Motta of Dallas.

Unlike some of them, Attles did not want to coach. When the Warriors were 22-30 and going nowhere toward the end of the 1969-70 season, the owner of the team, Franklin Mienli, had to ask Attles, then a player, three times to take the job.

In fact, even his becoming an NBA player was not always a certainty. Attles concedes that he was not as good at basketball as at baseball when he was in high school. His interests also included football, in which, at 155 pounds, he was a wide receiver and defensive back. He was good enough to be offered a scholarship to Tennessee State, as a fullback.

By then basketball had become his love, but he received only one offer to play college basketball. It was from North Carolina A&T, a predominantly black school in Greensboro. That was the South, and from all that the New Jersey native had heard about the area in the 1950s, he wanted little to do with it.

"So I didn't go," he said. "I took a job working in a department store for 75 cents an hour, before I went to the Pocono mountains to help my high school coach with his basketball camp. It was then that I decided to go to school."

What changed his mind? "Seventy-five cents an hour."



Alvin Attles

The greatest pleasures of college, the things that he will always remember, are not his experiences on the court. He was a smart, steady player, and was named to a few all-America teams when he finished in 1960. That was not important to him.

Up to then, he said, he had little knowledge of professional basketball. But some in the pro game knew of him, in particular, Vince Miller, who had played with Wilt Chamberlain at Overbrook High School in Philadelphia. When a knee injury forced Miller to return home to North Carolina, he saw Attles play. He called Chamberlain, who was then with the Warriors when the franchise was in Phil-

World Marks Set In Indoor Vault, 4 Track Events

From Agency Dispatches

LOUISVILLE, Ky. — Billy Olson of the United States bettered his own world indoor record in the pole vault by 1/4 inch with an effort of 18 feet, 9 1/2 inches here Saturday night.

In Inglewood, Calif., another American, Mary Decker Tabb, added two more world indoor records to her growing list Friday when she set marks for 2,000 and 3,000 meters.

Decker, who earlier this year shattered the women's indoor one-mile record, covered 3,000 meters in 8:47.3 and 2,000 meters in 5:53.4. Both records came in the same race.

In Richfield, Ohio, Stanley Floyd raced to his second world indoor record this season by winning the 55-meter dash Saturday in 6.10 seconds. Two weeks earlier, he broke the 50-yard dash record. Also in Richfield, Jim Heiring set a world indoor record of 5:47.59 in the one-mile walk.

Russia's Skaters Dominate World Sprint Championship

Reuters

ALKMAAR, Netherlands — Two Russians, Sergei Khlebnikov and Natalia Petrusova, took top honors while a third, Vladimir Koslov, set a world record at the world sprint speed skating championships here Sunday.

Khlebnikov won the men's combined title with a second-place finish in the 1,000-meter event and a fourth in the 500 meters.

Koslov won the 500 with a world mark for low-altitude skating tracks of 37.8 seconds. The defending world sprint champion, Frode Rønning of Norway, finished second in 38.05, and Gaetan Boucher of Canada was third in 38.26.

Petrusova swept the 500-meter and 1,000-meter events on the way to the women's combined title. Petrusova set a track record of 41.55 seconds over 500 meters and completed the 1,000 meters in 1:24.02.

McEnroe, Lendl In Toronto Final
The Associated Press

TORONTO — John McEnroe and Ivan Lendl advanced to Sunday's final round in the Canadian Challenge tennis tournament. In semifinal matches Saturday, McEnroe defeated Peter McNamara, 6-2, 6-4, and Lendl beat the defending champion, Vitas Gerulaitis, 6-2, 6-0. McNamara, 26, had upset Jimmy Connors and Eliot Teltscher on his way to the semifinals.

The one player McNamara didn't beat in his four-man qualifying group was Lendl, who tore apart Gerulaitis' game Saturday with an overpowering serve and steady ground strokes.

Philadelphia. Attles was later drafted by the Warriors on the fifth round. Expecting little from the situation, he took only enough clothes to last a week. He played 11 seasons, more than anyone else in the franchise's history.

His strength as a coach can be traced to his ability to communicate with, handle and judge the variety of persons with whom he deals.

"He usually doesn't show too much emotion," said World B. Free, a Warrior, "but he gets his point across."

He says coaching is often painful, especially when the coach has made the transition from being a player. One problem is maintaining a proper social distance from the players. When Attles is on the road, he rarely leaves his room. "I never thought that the common denominator for socializing should be basketball," he said.

Another painful task is making cuts and trades. "I've always had a special feeling for people," Attles said. "The problem is that most fans don't know how much people put into camp. I've seen players come to camp without underwear, and some that end up begging for just one more day. It's agonizing."

Successes

Other personnel decisions are equally difficult. Last season, for example, Attles obtained the No. 1 and No. 13 choices in the college draft by trading center Robert Parish and the No. 3 selection. With the opening selection, he chose center Joe Barry Carroll, whose heart and determination on the court have been questioned.

Then Attles traded a longtime Warrior guard, Phil Smith, to San Diego for Free, whose first name then was Lloyd and who was one of the most prolific shooters in the league. Finally, less than a month later, he obtained Bernard King, whose career with New Jersey and Utah had been hurt by troubles with the law and alcoholism, for center Wayne Cooper and a draft choice.

Carroll has not altered his image yet, despite streaks of brilliance, but Free and King have turned out to be productive.

Another of Attles' pleasures is subtle. When he became a coach, he was known in print as "Al Attles, the black coach." He was one of the first black coaches in pro sports, and the achievement was noteworthy.

But it began to wear on him. One day, as he entered the arena toward the end of the 1974-75 season, when the Warriors won the league title, a shy autograph-seeker quietly asked for a signature.

As Attles signed, the boy stared at him, leaving Attles to think that the boy had had little experience with blacks. But as Attles finished, the boy said, "Gee, I didn't know you were black."

"You can't imagine how good that made me feel," Attles said.



Natalia Petrusova of the Soviet Union won the women's 500-meter and 1,000-meter events to take the combined title in the world sprint speed skating championships Sunday in the Netherlands.

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